

**RESCUE MISSION OF SALT LAKE, INC.**

**Financial Statements**

**December 31, 2014 and 2013**

**(With independent auditor's report thereon)**

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



***Joseph B. Glass & Associates***

*Certified Public Accountant*

821 Marion Village Rd.

Sandy, Utah 84094

Tel. 801-414-3325 Fax. 801-304-0475

e-mail address: [joebglasscpa@msn.com](mailto:joebglasscpa@msn.com)

**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, 2014 and 2013, and the related statements of activities and changes in net assets, 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, 2014 and 2013, 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,

*Joseph B. Glass CPA, PC*

Joseph B. Glass CPA, PC

Sandy, Utah

August 17, 2015

**RESCUE MISSION OF SALT LAKE INC.**

## Statements of Financial Position

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets:		
Cash and cash equivalents	\$ 916,158	964,866
Prepaid expenses	3,137	4,745
Land, buildings, furniture, equipment and vehicles (net of accumulated depreciation of \$63,035 and \$44,649 in 2014 and 2013 respectively)	982,548	941,602
Investments in mutual funds	1,221,413	-
Land held for investment	-	917,983
Total Assets	<u>\$ 3,123,256</u>	<u>2,829,196</u>
Liabilities and net assets:		
Accounts payable	\$ 30,166	34,284
Accrued liabilities	22,443	19,695
Total liabilities	<u>52,609</u>	<u>53,979</u>
Net assets:		
Temporarily restricted	-	-
Unrestricted	<u>3,070,647</u>	<u>2,775,217</u>
Total net assets	<u>3,070,647</u>	<u>2,775,217</u>
Total liabilities and net assets	<u>\$ 3,123,256</u>	<u>2,829,196</u>

See accompanying notes to financial statements.

**RESCUE MISSION OF SALT LAKE INC.**  
Statement of Activities and Changes in Net Assets  
Years ended December 31, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Changes in unrestricted net assets:						
Revenues and gains:						
Contributions - cash	\$ 1,433,606	-	1,433,606	1,286,236	-	1,286,236
Contributions - noncash	1,362,384	-	1,362,384	1,291,808	-	1,291,808
Other income	54,031	-	54,031	15,126	-	15,126
Total revenues and gains	2,850,021	-	2,850,021	2,593,170	-	2,593,170
Expenses and losses:						
Direct program expenses	2,163,593	-	2,163,593	2,080,055	-	2,080,055
Management and general	101,138	-	101,138	103,987	-	103,987
Fundraising	289,860	-	289,860	263,797	-	263,797
Total expenses	2,554,591	-	2,554,591	2,447,839	-	2,447,839
Increase in net assets	295,430	-	295,430	145,331	-	145,331
Net assets at beginning of year	2,775,217	-	2,775,217	2,629,886	-	2,629,886
Net assets at end of year	\$ 3,070,647	-	3,070,647	2,775,217	-	2,775,217

See accompanying notes to financial statements.

**RESCUE MISSION OF SALT LAKE INC.**  
**Statements of Cash Flows**  
**Years ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Increase in net assets	\$ 295,430	145,331
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	18,386	12,111
Adjustment to value of investment real estate	-	97,881
Unrealized income on investment in mutual funds	(18,619)	-
Decrease (increase) in prepaid expenses	1,608	570
Increase (Decrease) in accounts payable	(4,118)	(6,695)
	<u>2,748</u>	<u>5,378</u>
Net cash provided by operating activities	295,435	254,576
Cash flows from investing activities:		
Purchase of furniture and equipment	(59,332)	-
Sale of land held for investment	917,983	-
Purchase of investments in mutual funds	<u>(1,102,641)</u>	<u>-</u>
Net cash used by investing activities	(243,990)	-
Cash flows from financing activities:		
Repayment of notes payable	-	-
Net increase in cash and cash equivalents	<u>51,445</u>	<u>254,576</u>
Cash and cash equivalents beginning of year	964,866	710,290
Cash and cash equivalents end of year	<u>\$ 1,016,311</u>	<u>964,866</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, 2014 and 2013

(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. \$1,433,606 and \$1,286,236 of the contributions received during the years ended December 31, 2014 and 2013 respectively were cash and cash equivalents and \$1,362,384 and \$1,291,808 of the contributions received during the years ended December 31, 2014 and 2013 respectively were noncash.

All of the cash and noncash contributions received during 2014 and 2013 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 \$19,851 and \$146 for the years ended December 31, 2014 and 2013 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, 2014 and 2013

(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) Expenses and Losses

Expenses incurred for the years ended December 31, 2014 and 2013 are summarized as follows:

	<u>Total</u>	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fund Raising</u>
Year ended December 31, 2014:				
Salaries, wages and				
Related expenses	\$ 520,779	428,026	74,161	18,592
Supplies and travel	1,413,904	1,412,771	1,066	67
Services and				
Professional fees	237,287	4,790	14,985	217,512
Office and occupancy	137,724	130,792	3,836	3,096
Postage and printing	102,986	72,006	5,627	25,353
Loss on the sale of				
real estate	58,660	58,660	-	-
Miscellaneous	83,251	56,548	1,463	25,240
Totals	<u>\$2,554,591</u>	<u>2,163,593</u>	<u>101,138</u>	<u>289,860</u>

Year ended December 31, 2013:

Salaries, wages and				
Related expenses	\$ 492,987	394,932	80,054	18,001
Supplies and travel	1,337,591	1,336,433	1,127	31
Services and				
Professional fees	231,825	3,881	14,247	213,697
Office and occupancy	139,901	133,468	3,272	3,161
Postage and printing	106,278	80,213	3,908	22,157
Adjustment to value of				
land held for				
Investment	97,881	97,881		
Miscellaneous	41,376	33,247	1,379	6,750
Totals	<u>\$2,447,839</u>	<u>2,080,055</u>	<u>103,987</u>	<u>263,797</u>

(3) Concentrations of Credit

At December 31, 2014 and 2013 the Organization had deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance corporation of \$538,493 and \$271,554 respectively.



RESCUE MISSION OF SALT LAKE, INC.  
Notes To Financial Statements  
December 31, 2014 and 2013

(4) Investment in Mutual Funds

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

Various bond funds	\$ 766,359
Various growth and value funds	<u>455,054</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 on the above investments:

Realised earnings (interest and dividends)	\$ 19,431
Unrealized earnings (increase in value)	<u>15,887</u>
	\$ <u>35,318</u>

Three of the bond funds and two of the growth and value funds totaled \$871,167 at December 31, 2014 or approximately 72% of the total investments in mutual funds. No other mutual fund accounted for more than 5% of the total.

(5) Land Held for Investment

Prior to 2011 the Organization was in the process of planning, designing and acquiring property for a new facility. During this time it was determined that the land would not be used to construct a new facility. As a result of this decision, the total expended on the project was adjusted to \$1,015,864.

On March 5, 2014 the land held for investment was sold for an amount totaling \$917,983. An adjustment was made at December 31, 2013 to reduce the recorded amount to land held for investment to this amount which was considered to be its fair value at that date. 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.

(6) Advertising and Promotion

During the years ended December 31, 2014 and 2013, the Organization incurred a total of \$17,159 and \$4,657 as advertising and promotion expense, respectively. Advertising costs are expensed as incurred.

RESCUE MISSION OF SALT LAKE, INC.

Notes To Financial Statements

December 31, 2014 and 2013

(7) Subsequent events

Management of the Organization has evaluated any subsequent events that may require disclosure in these financial statement through August 19, 2015, the date that the financial statements were issued.