

RESCUE MISSION OF SALT LAKE, INC.

Financial Statements

December 31, 2020 and 2019

(With independent auditor's report thereon)

JOSEPH B GLASS & ASSOCIATES
Certified Public Accountant



Joseph B Glass & Associates

Certified Public Accountant

190 South 200 East

Blanding, Utah 84511

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

e-mail address: 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, 2020 and 2019, and the related statements of activities and changes in net assets, expenses by nature and function 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, 2020 and 2019, 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 & Associates

Joseph B Glass & Associates

Blanding, Utah

September 28, 2021

RESCUE MISSION OF SALT LAKE INC.

Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets:		
Cash and cash equivalents	\$ 3,516,091	2,308,376
Prepaid expenses	9,236	11,133
Property and equipment:		
Land, buildings and building improvements	3,045,712	3,045,712
Furniture, fixtures and equipment	109,068	108,068
Vehicles	46,905	46,905
	<u>3,201,685</u>	<u>3,200,685</u>
Less accumulated depreciation	285,817	215,762
Net property and equipment	<u>2,915,868</u>	<u>2,984,923</u>
Investments in mutual funds	2,003,333	1,796,477
Other assets	6,000	6,000
Total Assets	<u><u>\$ 8,450,528</u></u>	<u><u>7,106,909</u></u>
Liabilities and net assets:		
Accounts payable	\$ 31,098	29,340
Accrued liabilities	35,038	32,303
Total liabilities	<u>66,136</u>	<u>61,643</u>
Net assets:		
Without donor restrictions	8,198,740	6,859,714
With donor restrictions	185,652	185,552
Total net assets	<u>8,384,392</u>	<u>7,045,266</u>
Total liabilities and net assets	<u><u>\$ 8,450,528</u></u>	<u><u>7,106,909</u></u>

See accompanying notes to financial statements.

RESCUE MISSION OF SALT LAKE INC.

Statements of Activities and Changes in Net Assets
Years ended December 31, 2020 and 2019

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Changes in unrestricted net assets:				
Revenues and gains:				
Contributions - cash	\$ 3,001,534	100	1,936,785	36,200
Contributions - noncash	1,911,204	-	2,206,292	-
Other income	60,629	-	68,283	-
Investment income (loss)	221,279	-	239,959	-
Satisfaction of program restrictions	-	-	17,500	(17,500)
Total revenues and gains	<u>5,194,646</u>	<u>100</u>	<u>4,468,819</u>	<u>18,700</u>
Expenses and losses:				
Direct program expenses	3,306,343	-	2,329,818	-
Management and general	168,406	-	146,114	-
Fundraising	380,871	-	365,839	-
Total expenses	<u>3,855,620</u>	<u>-</u>	<u>2,841,771</u>	<u>-</u>
Increase in net assets	<u>1,339,026</u>	<u>100</u>	<u>1,627,048</u>	<u>18,700</u>
Net assets at beginning of year	6,859,714	185,552	5,232,666	166,852
Net assets at end of year	<u>\$ 8,198,740</u>	<u>185,652</u>	<u>6,859,714</u>	<u>185,552</u>

See accompanying notes to financial statements.

RESCUE MISSION OF SALT LAKE INC.
Statements of Cash Flows
Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Increase in net assets	\$ 1,339,126	1,645,748
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	70,055	47,884
Property and equipment contributed	-	(1,070,729)
Net (income) loss on investments in mutual funds	(206,856)	(220,202)
Increase in prepaid expenses	1,897	(2,539)
Increase (Decrease) in accounts payable	1,758	3,191
Increase (Decrease) in accrued liabilities	2,735	16,190
Net cash provided by operating activities	1,208,715	419,543
Cash flows from investing activities:		
Purchase of land, buildings and equipment	(1,000)	(754,548)
Cash invested in mutual funds	-	(65,000)
Net cash used by investing activities	(1,000)	(819,548)
Cash flows from financing activities:	-	-
Net increase in cash and cash equivalents	1,207,715	(400,005)
Cash and cash equivalents beginning of year	2,308,376	2,708,381
Cash and cash equivalents end of year	\$ 3,516,091	2,308,376
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.
 Statements of Expenses by Nature and Function
 December 31, 2020 and 2019

Description	Total	Program Expenses				Management and General	Fund Raising
		Emergency Services	Recovery Services	Transitional Services			
Year ended December 31, 2018:							
Salaries, wages and related expenses	\$ 1,090,813	228,198	563,732	71,012	139,515	88,356	
General operations and services	1,980,899	1,111,568	582,227	276,206	5,552	5,346	
Services and							
Professional fees	330,215	7,471	28,985	1,848	17,913	273,998	
Office and occupancy	289,763	156,604	87,543	44,103	397	1,116	
Postage and printing	70,480	29,523	17,378	7,428	4,126	12,025	
Miscellaneous	93,450	52,907	26,800	12,810	903	30	
Totals	\$ 3,855,620	1,586,271	1,306,665	413,407	168,406	380,871	
Year ended December 31, 2019:							
Salaries, wages and related expenses	\$ 894,825	177,891	456,808	57,627	119,369	83,130	
General operations and services	1,194,091	668,357	351,801	165,783	4,166	3,984	
Services and							
Professional fees	326,569	18,350	31,232	4,539	16,472	255,976	
Office and occupancy	238,782	123,104	78,130	35,670	292	1,586	
Postage and printing	90,288	35,995	20,084	8,989	4,110	21,110	
Miscellaneous	97,216	54,526	27,728	13,204	1,705	53	
Totals	\$ 2,841,771	1,078,223	965,783	285,812	146,114	365,839	

See accompanying notes to financial statements.

RESCUE MISSION OF SALT LAKE, INC.
Notes To Financial Statements
December 31, 2020 and 2019

(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. \$3,001,634 and \$1,972,985 of the contributions received during the years ended December 31, 2020 and 2019 respectively were cash and cash equivalents and \$1,911,204 and \$2,206,292 of the contributions received during the years ended December 31, 2020 and 2019 respectively were noncash.

(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 \$35,693 and \$41,183 for the years ended December 31, 2020 and 2019 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.

(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.

RESCUE MISSION OF SALT LAKE, INC.
Notes To Financial Statements
December 31, 2020 and 2019

(2) Concentrations of Credit

At December 31, 2020 and 2019 the Organization had deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation of \$1,814,420 and \$1,631,220 respectively.

(3) Investment in Mutual Funds

Investment in mutual funds at December 31, 2020 and 2019 is summarised as follows:

	<u>2020</u>	<u>2019</u>
Various bond funds	\$ 1,174,739	1,105,601
Various growth and value funds	<u>828,594</u>	<u>690,876</u>
	<u>\$ 2,003,333</u>	<u>1,796,477</u>

Included in the accompanying statement of activities and changes in net assets for the year ended December 31, 2020 and 2019 are the following amounts representing earnings, losses and expense for the above investments:

	<u>2020</u>	<u>2019</u>
Realized earnings		
(interest and dividends)	\$ 35,693	41,183
Unrealized earnings(loss)	185,586	200,154
Administrative fees	<u>(18,237)</u>	<u>(16,390)</u>
	<u>\$ 203,042</u>	<u>224,947</u>

Five of the bond funds and two of the growth and value funds totaled \$1,362,460 at December 31, 2020 or approximately 68% of the total investments in mutual funds. No other mutual fund accounted for more than 5% of the total investments at that date.

Five of the bond funds and two of the growth and value funds totaled \$1,266,885 at December 31, 2019 or approximately 71% of the total investments in mutual funds. No other mutual fund accounted for more than 5% of the total investments at that date.

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

For fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority,
- Level 2 inputs consist of observable inputs other than quoted prices in active markets (level 1).
- Level 3 inputs consists all investments not included in the level 1 and 2 categories.

RESCUE MISSION OF SALT LAKE, INC.
Notes To Financial Statements
December 31, 2020 and 2019

(3) Investment in Mutual Funds (continued)
The investments in Mutual Funds are all valued based on Level 1 inputs at December 31, 2020 and 2019.

(4) Donor Restricted Funds
Net assets with donor restrictions are for the following purposes at December 31, 2020:

Acquisition of new facility	\$ <u>185,652</u>
Total	\$ <u>185,652</u>

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time or other events specified by donors. During the year ended December 31, 2019 a total of \$17,500, representing repairs made to the Womens Facility, was released from donor restricted funds.

(5) Company Designated Restrictions
The Organization governing board has designated, from net assets without donor restrictions of \$8,198,740, net assets for the following purposes as of December 31, 2020:

Acquisition of new facility	\$ 3,266,005
Endowment reserve fund	<u>567,120</u>
	\$ <u>3,833,125</u>

The following reflects the Organizations financial assets as of the December 31, 2020, reduced by amounts not available for general use because of contractual or donor restrictions. Amounts not available also include amounts set aside for acquisition of a new facility and endowment reserve funds:

Financial assets at December 31, 2020	\$ 5,519,424
Less donor restricted:	
Acquisition of future facilities	(185,652)
Less restrictions imposed by the Board of Directors:	
Acquisition of future facilities	(3,266,005)
Endowment reserve fund	(567,120)
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,500,647</u>

The Organization considers the financial assets projected to be available to meet cash needs within one year to be adequate.

RESCUE MISSION OF SALT LAKE, INC.
Notes To Financial Statements
December 31, 2020 and 2019

(6) Allocation of Expenses by Nature and Function

The accompanying statements of expenses by nature and function for the years ended December 31, 2020 and 2019 report certain categories of expenses that are attributable to more than one program or supporting function. Therefore these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office and occupancy costs which are allocated based on square footage, and salaries and benefits on the basis of time and effort.

Management and fundraising expenditures were allocated to service funds for the years ending December 31, 2020 and 2019:

Year ended December 31, 2020:

	Emergency Services	Recovery Services	Transitional Services	Total
Program	\$ 1,586,273	1,306,663	413,407	3,306,343
Management	80,796	66,554	21,056	168,406
Fundraising	182,729	150,520	47,622	380,871
	<u>\$ 1,849,798</u>	<u>1,523,737</u>	<u>482,085</u>	<u>3,855,620</u>

Year ended December 31, 2019:

	Emergency Services	Recovery Services	Transitional Services	Total
Program	\$ 1,078,224	965,783	285,811	2,329,815
Management	67,620	60,569	17,925	146,114
Fundraising	169,309	151,651	44,879	365,839
	<u>\$ 1,315,153</u>	<u>1,178,003</u>	<u>348,615</u>	<u>2,841,771</u>

(7) Advertising and Promotion

During the years ended December 31, 2020 and 2019, the Organization incurred a total of \$38,547 and \$32,059 as advertising and promotion expense, respectively. Advertising costs are expensed as incurred.

RESCUE MISSION OF SALT LAKE, INC.
Notes To Financial Statements
December 31, 2020 and 2019

(8) Acquisition of Ogden Rescue Mission

During 2019 the Organization acquired certain assets of the Ogden Rescue Mission, Inc. (Ogden Rescue Mission), a Utah non-profit corporation, for total cash consideration of \$747,568. Assets acquired included real estate, certain receivables, inventory, equipment and vehicles, etc. The value of the net assets acquired exceeded the consideration given by \$1,070,729. This amount has been recorded by the Organization as a Gift-in-Kind pursuant to the Ogden Rescue Mission dissolution.

(9) Subsequent events

Management of the Organization has evaluated any subsequent events that may require disclosure in these financial statement through November 22, 2021, the date that the financial statements were issued.