

RESCUE MISSION OF SALT LAKE, INC.

Financial Statements

December 31, 2016 and 2015

(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, 2016 and 2015, 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.

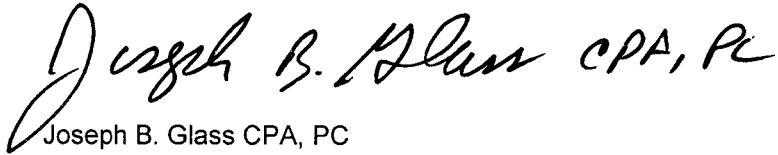
Auditor's Responsibility

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, 2016 and 2015, 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 black ink.

Joseph B. Glass CPA, PC

Sandy, Utah

August 7, 2017

RESCUE MISSION OF SALT LAKE INC.

Statements of Financial Position

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets:		
Cash and cash equivalents	\$	
Unrestricted cash and cash equivalents	1,178,493	1,070,830
Temporarily restricted cash and cash equivalents	100,778	409
Permanently restricted cash and cash equivalents	776,414	353,285
Total cash and cash equivalents	<u>2,055,685</u>	<u>1,424,524</u>
Prepaid expenses	4,662	3,240
Property and equipment:		
Land, buildings and building improvements	1,247,415	950,515
Furniture, fixtures and equipment	87,186	77,612
Vehicles	36,713	36,442
	<u>1,371,314</u>	<u>1,064,569</u>
Less accumulated depreciation	110,900	84,501
Net property and equipment	<u>1,260,414</u>	<u>980,068</u>
Investments in mutual funds (including restricted funds of \$1,146,731 and \$1,094,611 at December 31, 2016 and 2015 respectively)	1,251,961	1,192,992
Total Assets	<u>\$ 4,572,722</u>	<u>3,600,824</u>
Liabilities and net assets:		
Accounts payable	\$ 12,070	18,824
Accrued liabilities	20,366	13,124
Total liabilities	<u>32,436</u>	<u>31,948</u>
Net assets:		
Permanently restricted (building fund - acquisition)	1,818,418	1,348,104
Temporarily restricted (endowment fund - operations)	205,505	100,202
Unrestricted	2,516,363	2,120,570
Total net assets	<u>4,540,286</u>	<u>3,568,876</u>
Total liabilities and net assets	<u>\$ 4,572,722</u>	<u>3,600,824</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, 2016 and 2015

	2016			2015				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in unrestricted net assets:								
Revenues and gains:								
Contributions - cash	\$ 1,928,617	-	209,586	2,138,203	1,480,675	-	186,200	1,666,875
Contributions - noncash	1,477,203	-	-	1,477,203	1,368,712	-	-	1,368,712
Other income	21,096	-	-	21,096	20,473	-	-	20,473
Investment income (loss)	8,453	6,332	56,055	70,840	(11)	(1,146)	(10,995)	(12,152)
Satisfaction of new facility acquisition restrictions	185,000	-	(185,000)	-	-	-	-	-
Transfer of funds	(500,000)	100,000	400,000	-	-	-	-	-
Total revenues and gains	3,120,369	106,332	480,641	3,707,342	2,869,849	(1,146)	175,205	3,043,908
Expenses and losses:								
Direct program expenses	2,285,555	1,029	10,327	2,296,911	2,123,648	1,283	12,760	2,137,691
Management and general	113,869	-	-	113,869	105,309	-	-	105,309
Fundraising	325,152	-	-	325,152	302,679	-	-	302,679
Total expenses	2,724,576	1,029	10,327	2,735,932	2,531,636	1,283	12,760	2,545,679
Increase in net assets	395,793	105,303	470,314	971,410	338,213	(2,429)	162,445	498,229
Net assets at beginning of year	2,120,570	100,202	1,348,104	3,568,876	1,782,357	102,631	1,185,659	3,070,647
Net assets at end of year	\$ 2,516,363	205,505	1,818,418	4,540,286	2,120,570	100,202	1,348,104	3,568,876

See accompanying notes to financial statements.

RESCUE MISSION OF SALT LAKE INC.
Statements of Cash Flows
Years ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Increase in net assets	\$ 971,410	498,229
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	26,399	21,466
Net (income) loss on investments in mutual funds	(58,969)	28,421
Increase in prepaid expenses	(1,422)	(103)
Increase (Decrease) in accounts payable	(6,754)	(11,342)
Increase (Decrease) in accrued liabilities	7,242	(9,319)
Net cash provided by operating activities	937,906	527,352
Cash flows from investing activities:		
Purchase of land, buildings and equipment	(306,745)	(18,986)
Net cash used by investing activities	(306,745)	(18,986)
Cash flows from financing activities:	-	-
Net increase in cash and cash equivalents	631,161	508,366
Cash and cash equivalents beginning of year	1,424,524	916,158
Cash and cash equivalents end of year	\$ 2,055,685	1,424,524
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, 2016 and 2015

(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. \$2,138,203 and \$1,666,875 of the contributions received during the years ended December 31, 2016 and 2015 respectively were cash and cash equivalents and \$1,477,203 and \$1,368,712 of the contributions received during the years ended December 31, 2016 and 2015 respectively were noncash.

All of the cash and noncash contributions received during 2016 and 2015 were unrestricted by the donors. However \$209,586 of the unrestricted donations received in 2016 were allocated to permanently restricted funds

(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 \$25,901 for the years ended December 31, 2016 and 2015 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, 2016 and 2015

(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, 2016 and 2015 the Organization had deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance corporation of \$1,420,431 and \$847,571 respectively.

(3) Investment in Mutual Funds

Investment in mutual funds at December 31, 2016 and 2015 is summarised as follows:

	<u>2016</u>	<u>2015</u>
Various bond funds	\$ 775,968	727,448
Various growth and value funds	475,993	465,544
	<u>\$ 1,251,961</u>	<u>1,192,292</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, 2016 and 2015 are the following amounts representing earnings, losses and expense for the above investments:

	<u>2016</u>	<u>2015</u>
Realized earnings		
(interest and dividends)	\$ 24,665	25,459
Unrealized earnings(loss)	44,939	(24,162)
Administrative fees	<u>(12,339)</u>	<u>(14,042)</u>
	<u>\$ 57,265</u>	<u>(12,745)</u>

Three of the bond funds and two of the growth and value funds totaled \$888,398 at December 31, 2016 or approximately 71% 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 \$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.

RESCUE MISSION OF SALT LAKE, INC.
Notes To Financial Statements
December 31, 2016 and 2015

(4) Restricted Funds

At December 31, 2016 and 2015 the Organization had a total of \$1,818,418 and \$1,348,104 respectively in permanently restricted funds. These funds are restricted to the acquisition of real estate facilities. During the year ended December 31, 2016 the Organization purchased certain real estate at a cost of \$296,900. Accordingly \$185,000, previously donated in anticipation of the acquisition of this property, was transferred from permanently restricted to unrestricted equity. Also during the year ended December 31, 2016, the organization, with approval from its Board of Directors, allocated \$209,586 in unrestricted contributions to permanently restricted funds and transferred another amount totaling \$400,000 to permanently restricted funds.

At December 31, 2016 and 2015 the Organization had a total of \$205,505 and \$100,202 respectively in temporarily restricted funds. These funds are temporarily restricted as an endowment fund and can be used for emergencies or other events as authorized by the Board of Directors. During the year ended December 31, 2016, the Organization, with approval from its Board of Directors, transferred an amount totaling \$100,000 to this temporarily restricted fund.

(5) Advertising and Promotion

During the years ended December 31, 2016 and 2015, the Organization incurred a total of \$32,504 and \$20,985 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 August 7, 2017, the date that the financial statements were issued.