

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

LEO RILEY & Co.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Central Wyoming Rescue Mission
dba Wyoming Rescue Mission
Casper, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of Central Wyoming Rescue Mission (a nonprofit organization) dba Wyoming Rescue Mission, which comprise the statements of financial position as of June 30, 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 Central Wyoming Rescue Mission dba Wyoming Rescue as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Central Wyoming Rescue Mission's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

NOTICE

The accompanying financial statements and our independent auditors' reports are for the purpose of the various donors in your fund raising efforts, management, and the Board of Directors, and should not be used or relied upon by any other party for any purpose. Additional users of these financial statements and our independent auditors' reports are hereby advised that the liability of Leo Riley & Co., CPAs to third party users who use or rely on this information may be limited pursuant to 1995 Wyo. Sess. Laws, Chapter 155 creating Wyo. Stat. §33-3-201. However, the financial statements and our independent auditors' report on the financial statements are a matter of public record and their distribution is not limited.

A handwritten signature in blue ink that reads "Leo Riley & Co." in a cursive script.

December 20, 2018

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	\$ 1,250,332	\$ 1,998,145
Restricted cash and cash equivalents (Note 6)	237,853	
Pledges receivable (Note 1)		
Unrelated parties	122,067	79,850
Related parties (Note 8)	59,773	5,236
Other receivables	3,575	4,138
Prepaid expenses	14,084	11,666
Food inventory	2,500	2,500
Total current assets	\$ 1,690,184	\$ 2,101,535
Investments (Note 10)		
Bonds	\$ 130,887	\$ 139,324
Marketable securities (at fair market value)	293,373	261,030
Total investments	\$ 424,260	\$ 400,354
Property and Equipment (Note 1)		
Land	\$ 536,579	\$ 499,779
Buildings	1,336,209	1,373,858
Construction in progress	3,017,800	
Equipment	303,565	304,775
	\$ 5,194,153	\$ 2,178,412
Less accumulated depreciation	715,946	683,347
Total property and equipment, net	\$ 4,478,207	\$ 1,495,065
Long-Term Pledges		
Unrelated parties	\$ 121,535	\$ 59
Related Parties (Note 8)	49,859	12,568
	\$ 171,394	\$ 12,627
Beneficial Interest Endowments (Note 9)		
Wyoming Community Foundation	\$ 168,990	\$ 161,074
Total assets	\$ 6,933,035	\$ 4,170,655
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 930,239	\$ 44,229
Accrued expenses	42,322	50,070
Notes payable (Note 3)	42,918	28,349
Total current liabilities	\$ 1,015,479	\$ 122,648
Long-Term Liabilities		
Notes payable (Note 3)	31,680	61,651
Total liabilities	\$ 1,047,159	\$ 184,299
Net Assets		
Unrestricted	\$ 4,861,641	\$ 1,790,774
Temporarily restricted (Note 6)	855,245	2,034,508
Permanently restricted (Note 6)	168,990	161,074
Total net assets	\$ 5,885,876	\$ 3,986,356
Total liabilities and net assets	\$ 6,933,035	\$ 4,170,655

(The accompanying notes are an integral part of the basic financial statements)

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
OPERATING:					
SUPPORT AND REVENUES:					
Direct public support:					
Contributions	\$ 913,278	\$	\$	\$ 913,278	\$ 761,689
Special events	128,612			128,612	138,388
In-kind contributions					
Thrift store	747,890			747,890	967,046
Food and other	337,442			337,442	220,623
Indirect public support:					
Support from governmental agencies	56,700			56,700	50,300
Private grants	190,100			190,100	298,005
Total support	<u>\$ 2,374,022</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,374,022</u>	<u>\$ 2,436,051</u>
Revenues:					
Thrift store revenue	\$ 703,373	\$	\$	\$ 703,373	\$ 461,150
Interest and dividends	31,077			31,077	21,009
Realized gains/losses	20,177			20,177	1,060
Unrealized gains/losses	(7,932)		7,916	(16)	12,053
Other income	7,932			7,932	5,418
Total revenue	<u>\$ 754,627</u>	<u>\$</u>	<u>\$ 7,916</u>	<u>\$ 762,543</u>	<u>\$ 500,690</u>
Net assets released from restrictions:					
Reclassified from restrictions	\$ 10,614	\$ (10,614)	\$	\$	\$
Total support and revenue	<u>\$ 3,139,263</u>	<u>\$ (10,614)</u>	<u>\$ 7,916</u>	<u>\$ 3,136,565</u>	<u>\$ 2,936,741</u>
EXPENSES AND LOSSES:					
Program services	\$ 2,305,959	\$	\$	\$ 2,305,959	\$ 2,385,194
Management and general	220,757			220,757	195,399
Development/fund raising	370,761			370,761	325,683
Total expenses and losses	<u>\$ 2,897,477</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,897,477</u>	<u>\$ 2,906,276</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>\$ 241,786</u>	<u>\$ (10,614)</u>	<u>\$ 7,916</u>	<u>\$ 239,088</u>	<u>\$ 30,465</u>
NON-OPERATING SUPPORT AND EXPENSES:					
Capital campaign revenues	\$	\$ 1,664,878	\$	\$ 1,664,878	\$ 1,877,506
Capital campaign In-kind contributions		400		400	
Support from governmental agencies		60,367		60,367	58,855
Capital campaign expenses	(65,213)			(65,213)	(66,293)
Net assets released from restrictions	2,894,294	(2,894,294)			
CHANGE IN NET ASSETS FROM NON-OPERATING	<u>\$ 2,829,081</u>	<u>\$ (1,168,649)</u>	<u>\$ 0</u>	<u>\$ 1,660,432</u>	<u>\$ 1,870,068</u>
CHANGE IN NET ASSETS	<u>\$ 3,070,867</u>	<u>\$ (1,179,263)</u>	<u>\$ 7,916</u>	<u>\$ 1,899,520</u>	<u>\$ 1,900,533</u>
NET ASSETS:					
Beginning of period	1,790,774	2,034,508	161,074	3,986,356	2,085,823
End of period	<u>\$ 4,861,641</u>	<u>\$ 855,245</u>	<u>\$ 168,990</u>	<u>\$ 5,885,876</u>	<u>\$ 3,986,356</u>

(The accompanying notes are an integral part of the basic financial statements)

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION
STATEMENT OF FUNCTIONAL OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017 (TOTAL)

	2018						2017	
	Program Services						Management and General	Total
	Men	Women & Children	Rescued Treasurers	Community Kitchen	Total	Development		
Salaries and wages	\$ 253,129	\$ 256,945	\$ 278,847	\$ 57,414	\$ 846,335	\$ 117,843	\$ 1,028,886	\$ 1,006,964
Payroll taxes	29,531	31,314	28,802	6,854	96,501	11,613	122,907	115,813
Employee benefits	9,172	8,567	3,014	175	20,928	14,717	7,097	49,384
Total	\$ 291,832	\$ 296,826	\$ 310,663	\$ 64,443	\$ 963,764	\$ 144,173	\$ 1,258,535	\$ 1,172,161
Operations Expenses	26,996	15,317	27,873	35,809	105,995	10,427	9,269	125,221
Facility Expenses	51,773	21,635	189,468	2,203	265,079	12,349	10,433	194,302
Professional Services	762	361	1,456	152	2,731	26,218	51,682	78,441
Office and Miscellaneous	3,043	1,297	15,690	210	20,240	14,776	5,987	27,083
Staff Development	3,681	3,313	1,941	36	8,971	10,858	4,504	8,602
Printing and Marketing	2,410	762	513		3,685	880	106,096	121,556
Special Events							31,718	29,695
Guest Development	19,342	7,192			26,534	31	26,534	28,864
In-kind expenses:	7,829	4,505	747,890	94,634	854,858		474	1,077,671
Total	\$ 407,668	\$ 351,208	\$ 1,295,494	\$ 197,487	\$ 2,251,857	\$ 219,712	\$ 370,761	\$ 2,863,596
Depreciation	26,229	13,405	12,854	1,614	54,102	1,045	55,147	42,680
Total	\$ 433,897	\$ 364,613	\$ 1,308,348	\$ 199,101	\$ 2,305,959	\$ 220,757	\$ 370,761	\$ 2,906,276

(The accompanying notes are an integral part of the basic financial statements)

CENTRAL WYOMING RESCUE MISSION
 DBA WYOMING RESCUE MISSION
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,899,520	\$ 1,900,533
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	55,147	42,680
(Gain) Loss on disposal of assets	(20,177)	618
Unrealized (gain) loss	7,932	2,170
Noncash contribution of assets	(450,129)	(110,000)
(Increase) decrease in:		
Accounts Receivable	(254,958)	(15,630)
Prepaid expenses	(2,418)	(11,666)
Increase (decrease) in:		
Accounts payable	886,010	16,498
Accrued expenses	(7,748)	(792)
Net cash provided by operating activities	\$ 2,113,179	\$ 1,824,411
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (2,832,140)	\$ (208,724)
Purchase of investments	(17,417)	
Wyoming Community Foundation Endowment	(7,916)	(11,085)
Proceeds from sale of assets	264,157	
Dividends reinvested	(14,421)	(11,179)
Net cash used by investing activities	\$ (2,607,737)	\$ (230,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	\$ 12,947	\$ 90,000
Reduction of long-term debt	(28,349)	
Cash provided (used) by financing activities	\$ (15,402)	\$ 90,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (509,960)	\$ 1,683,423
CASH AND CASH EQUIVALENTS:		
Beginning of year	1,998,145	314,722
End of year	\$ 1,488,185	\$ 1,998,145
Supplementary Disclosures of Cash Flow Information:		
Cash paid during period for:		
Interest	\$ 4,331	\$ 1,968
	\$ 4,331	\$ 1,968

(The accompanying notes are an integral part of the basic financial statements)

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Central Wyoming Rescue Mission (WRM) dba Wyoming Rescue Mission are presented to assist in understanding WRM's financial statements. The financial statements and notes are representations of WRM management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America.

Business Activity

WRM is a non-denominational, Christian ministry, nonprofit that provides shelter, food, clothing, and biblical guidance for men, women and children struggling with homelessness and drug and/or alcohol addiction. Services provided consist of providing a safe place to sleep, three wholesome meals per day, individualized case management, long term rehabilitation programs consisting of life skills training, job preparation, biblical counseling, and various other services for individuals desirous to make lasting changes in their lives. WRM is governed by a Board of Directors and is supported by private contributions and grants. WRM operates Rescued Treasures Thrift Store which provides vocational training to those guests of WRM who are in the Discipleship program. Rescued Treasures also provides vouchers for the basic necessities of those in need in our community.

WRM registered the trade name of Wyoming Rescue Mission on November 14, 2016 and has been operating under the trade name since it was registered.

Income Tax Status

The WRM, is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and has been classified as a public charity.

Tax penalties and interest, if any, would be classified with income tax expense in the financial statements. No tax penalties or interest have been incurred or are recognized in the financial statements. Generally, three tax years remain subject to examination by tax jurisdictions.

Functional Distribution of Expenses

Those expenses incurred, which are directly related to the three areas of services (program, management and general, development and capital campaign) are charged to those services. The remaining indirect expenses related to building operations are allocated to the services by the formula based on estimated square footage of the buildings used for services to the total square footage. Costs related to other activities are allocated based on an estimate of employee time spent on the program activities.

The accompanying financial statements were prepared on the accrual basis of accounting using the following accounting policies:

Cash and Cash Equivalents

For the statement of cash flows, WRM consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

CENTRAL WYOMING RESCUE MISSION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Equipment and Depreciation

Acquisitions of property and equipment are reflected at cost if purchased, or at estimated fair market value if donated. Depreciation of property and equipment is calculated using the straight-line basis. Buildings and improvements are depreciated over 10 to 40 years, vehicles over 5 years and equipment is depreciated over 3 to 10 years. WRM's capitalization policy is to capitalize property and equipment additions of \$5,000 or more with an expected useful life greater than one year.

Inventories

The inventory of WRM consists of food on hand at the WRM. Inventory is valued at the estimated lower of cost (first-in, first-out method) or market. Due to the inability of valuing donated thrift store items until sold, no inventory value is presented on the financial statements.

Contributions

WRM follows the guidance of the Financial Accounting Standards Board and accounting principles generally accepted in the United States of America as applied to Not-For-Profit Organizations. In this regard, WRM reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Restricted contributions whose restrictions are met in the same reporting period are shown as unrestricted support.

WRM reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Mission reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Materials

Donated materials are reflected as contributions at their estimated values. The values of these items are presented both as support and expenses in the financial statements under in-kind contributions and in-kind expense.

CENTRAL WYOMING RESCUE MISSION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges

WRM has received pledges for the capital campaign project. WRM only records pledges receivable when signed and all of the conditions of the pledge have been met. Pledges are recorded as a receivable at a discounted rate equal to the treasury daily yield rate (ranging from 1.09% to 2.14%) for the time period of the pledge and as contributions for the designated purpose. As pledges are collected, attrition revenue is reported for the period since the pledge. At June 30, 2018 gross uncollected pledges were \$364,463 with an accretion discount of \$11,229. The net pledges receivable at June 30, 2018 is \$353,234. Pledges due in less than one year are \$181,840 and due within one to five years are \$171,394.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

WRM expenses advertising costs as incurred.

Service Organization

WRM utilized the services of an external bookkeeping service company to compile their financial information. WRM provided the bookkeeping service with source documents to post transactions, prepare payroll, and prepare monthly financial statements for the Board of Directors' use in monitoring activities and to segregate duties within the organization. The last quarter of the fiscal year WRM moved away from using the external bookkeeping services and performed most functions internally. As of June 30, 2018 external bookkeeping services ceased.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the independent auditors' report. WRM moved into the new facilities in September 2018. The former men's facilities were demolished after the new facilities were placed in service.

NOTE 2. CONCENTRATION OF CREDIT RISK FOR CASH DEPOSITS

Financial instruments, which potentially subject WRM to concentrations of credit risk include cash deposits with local banks. WRM's cash management policies limit its exposure to concentrations of credit risk by maintaining primary cash accounts at financial institutions whose deposits are insured by the Federal Deposits Insurance Corporation (FDIC). FDIC insures amounts at each institution up to \$250,000. WRM has not experienced any losses of deposits. WRM has deposits in one bank in excess of the FDIC coverage. Deposits in one bank exceed FDIC coverage by \$1,045,642 at June 30, 2018.

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3. NOTES PAYABLE

A description of the notes payable is as follows:

Hilltop National Bank; 5.50%; 35 monthly payments of \$2,721.00 and one payment of \$2,717.01 including interest; secured by all inventory, accounts and equipment; due June 19, 2020	\$ 61,651
Wyoming Community Development Authority; 0.00%; one payment due December 31, 2018; secured by real property located on N. Park Street	12,947
	\$ 74,598
Less current maturities	42,918
Long-term debt	\$ 31,680

The following is the aggregate maturities in future years:

Year ended June 30	
2019	\$ 42,918
2020	31,680
Total	\$ 74,598

NOTE 4. OPERATING LEASES

WRM has a lease agreement to lease property in Country Plaza Shopping Center for the Mission's Thrift Store effective January 1, 2017 through January 31, 2020. The lease payments for February 1, 2017 to January 31, 2018 are \$9,192.33 per month; February 1, 2018 to January 31, 2019 are \$9,610.17 per month; and February 1, 2018 to January 31, 2020 are \$10,028.00 per month. WRM also must pay a prorated share of common area maintenance expenses, insurance and taxes. The initial prorated share of the expenses is \$2,473.58. The lease has an option to renew for an additional three years.

WRM has a lease agreement to lease property at 331 North Park effective August 1, 2017 through July 31, 2020. The lease payments are \$1,000 per month. The lease has an option for two renewal period of five years each.

WRM leases two copiers under a lease agreement that expires May 11, 2022. The lease requires monthly payments of \$259.

Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	
2019	\$ 163,006
2020	103,423
2021	4,912
2022	3,260
	\$ 274,601

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5. COMMITMENTS AND CONTINGENCIES

On September 30, 2004, a building was acquired by WRM, with the condition it be exclusively used for the care of needy persons in Natrona County and Central Wyoming for a minimum of 15 years. The building cannot be used for other purposes, contract for sale, mortgaged or pledged as security. If WRM does not use the building as stated in the agreement for 15 years, ownership of the building will revert to Wyoming Community Development Authority.

On September 16, 2015, a standard form of agreement between owner and design-builder was entered into with Caspar Building Systems, Inc. to construct new facilities with a contract amount of \$5,564,454. Ground breaking for the new facility was November 14, 2017. The facility was occupied in September 2018.

NOTE 6. NET ASSETS

Temporarily Restricted Net Assets

WRM has recorded in this classification the net book value of a building that was remodeled with restricted grants, and a building that is restricted for a period of time. These assets are currently being or will be depreciated in the future and as depreciation is recorded, time restrictions will be met, or they must be used in accordance with program restrictions in the future.

WRM has recorded capital campaign funds in this classification that are restricted for the future construction of new facilities to provide housing, meals and programs under one roof.

Wyoming Community Development Authority		
Cost	\$ 392,511	
Accumulated depreciation	<u>(128,354)</u>	
Total book value		\$ 264,157
Capital Campaign		
Temporarily restricted cash	\$ 237,853	
Pledges receivable	<u>353,235</u>	
		<u>591,088</u>
Total temporarily restricted net assets		<u>\$ 855,245</u>

Permanently Restricted Net Assets

WRM has permanently restricted assets with the Wyoming Community Foundation. WRM, on August 24, 1994, gifted property to Wyoming Community Foundation to establish Kathleen Henry Rescue Mission Endowment Fund. The Foundation, on March 18, 2002, gifted property to Wyoming Community Foundation to establish Central Wyoming Rescue Mission Agency Endowment Fund. The property of both endowment funds is the property of the Wyoming Community Foundation held in its corporate capacity and shall not be deemed a trust fund held by it in a trustee capacity. Wyoming Community Foundation has ultimate authority and control over all property in the Funds and distributions made from the Funds. WRM is the designated beneficiary of both Funds. Wyoming Community Foundation has the right to commingle the property with property of other funds for administrative and investment purposes. See Note 9 for changes for the year ended June 30, 2018.

CENTRAL WYOMING RESCUE MISSION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7. DONATED SERVICES AND MATERIALS

According to the accounting principles generally accepted in the United States of America as applied to Not-For-Profit organizations, WRM only records the estimated value of donated services that require specialized skills and which are provided by individuals possessing those skills. WRM had donated services meeting the definition for recognition during the year. WRM values contributed services that require no specialized skills at \$7.25 per hour for volunteers who provide services to CWRM.

As of June 30, 2018, WRM received approximately \$51,651, in contributed services from volunteers who helped with janitorial and kitchen duties at WRM. These services are vital to the operation of WRM, but are not recognized in the financial statements under accounting principles generally accepted in the United States of America. WRM does record in-kind contributions of food, clothing and miscellaneous items as in-kind contributions and expenses in the statements of activities and functional expenses. For the year ended June 30, 2018, WRM recorded in-kind services of \$474 related to development expenses.

NOTE 8. RELATED PARTY TRANSACTIONS

WRM had contributions and pledges received from related party transactions to report. Collectively, Board Member and their families made contributions of \$35,695 and made pledges to the capital campaign fund of \$200,000 of which \$95,710 had been paid. Pledges receivable net of accretion discount of \$3,335, not reported as income, from Board Members at June 30, 2018 was \$109,633. Short-term pledges receivable from Board Members at June 30, 2018 are \$59,774 and long-term pledges receivable from Board Members at June 30, 2018 are \$49,859. No Board Member individually had materially significant transactions that would be considered related party transactions.

NOTE 9. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques 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 under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that CWRM has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018.

Government Obligations: Valued at amortized cost, which approximates fair value.

Corporate Bonds, Common Stocks, and Preferred Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

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

WRM's policy is to recognize transfers in and transfers out of each level as the actual date of the event or change in circumstances that caused the transfer.

The following table sets forth by level, within the fair value hierarchy, WRM's assets at fair value as of June 30, 2018:

	Assets at Fair Value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Government bonds	\$ 130,887	\$	\$	\$ 130,887
Common stock	293,373			293,373
Endowment funds held by Wyoming Community Foundation			168,990	168,990
Total assets at fair value	\$ 424,260	\$ 0	\$ 168,990	\$ 593,250

The following is reconciliation of Level 3 assets measured at fair value. Since observable and unobservable inputs may be used to determine the fair value of positions that WRM has classified in the Level 3 category, unrealized gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable and unobservable inputs. Changes in Level 3 assets measured at fair value for the year ended June 30, 2018 were as follows:

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

	Rescue Mission Endowment Fund	Mission Agency Endowment Fund	Total Endowment Funds
Balance 07/01/2017	\$ 4,555	\$ 156,519	\$ 161,074
Interest and dividends	190	6,507	6,697
Realized gains/(losses)	2	73	75
Unrealized gains/(losses)	292	10,036	10,328
	<u>\$ 5,039</u>	<u>\$ 173,135</u>	<u>\$ 178,174</u>
Administrative expenses	(82)	(2,810)	(2,892)
Distributions	<u>(182)</u>	<u>(6,110)</u>	<u>(6,292)</u>
Balance 06/30/2018	<u><u>\$ 4,775</u></u>	<u><u>\$ 164,215</u></u>	<u><u>\$ 168,990</u></u>

NOTE 10. INVESTMENTS

The following table represents the cost and current value of investments held for the period ending June 30, 2018:

<u>Investment</u>	<u>Description of Investment</u>	<u>Cost</u>	<u>Current Total</u>
American Funds Capital World Growth & Income Class A	Mutual Fund	\$ 75,247	\$ 107,259
American Funds High Income Trust Class A	Mutual Fund	40,011	39,724
American Funds Washington Mutual Investors Fund Class A	Mutual Fund	36,848	49,959
The Bond Fund for American Fund Class A	Mutual Fund	29,865	32,782
U.S. Government Securities Fund Class A	Mutual Fund	68,724	63,649
		<u>\$ 250,695</u>	<u>\$ 293,373</u>
U.S. Treasury Market Based Bond	6 1/8% Bond 29 due 08/15/29	99,741	130,887
		<u>\$ 350,436</u>	<u>\$ 424,260</u>