

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, 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

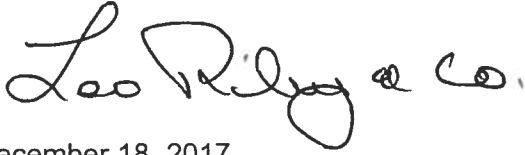
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Wyoming Rescue Mission dba Wyoming Rescue as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Central Wyoming Rescue Mission's 2016 financial statements, and we expressed an unmodified opinion of those audited financial statements in our report dated December 26, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, 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.



December 18, 2017

CENTRAL WYOMING RESCUE MISSION
 DBA WYOMING RESCUE MISSION
 STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2017 AND 2016

ASSETS	2017	2016
Current Assets		
Cash and cash equivalents (Note 6)	\$ 1,998,145	\$ 314,721
Pledges receivable (Note 1)		
Unrelated parties	79,850	
Related parties (Note 8)	5,236	
Other receivables	4,138	86,221
Prepaid expenses	11,666	
Food inventory	2,500	2,500
Total current assets	\$ 2,101,535	\$ 403,442
Investments (Note 10)		
Bonds	\$ 139,324	\$ 152,988
Marketable securities (at fair market value)	261,030	238,357
Total investments	\$ 400,354	\$ 391,345
Property and Equipment (Note 1)		
Land	\$ 499,779	\$ 499,779
Buildings	1,373,858	1,235,148
Equipment	304,775	304,582
	\$ 2,178,412	\$ 2,039,509
Less accumulated depreciation	683,347	709,869
Total property and equipment, net	\$ 1,495,065	\$ 1,329,640
Long-Term Pledges		
Unrelated parties	\$ 59	\$
Related Parties (Note 8)	12,568	
	\$ 12,627	\$
Beneficial Interest Endowments (Note 9)		
Wyoming Community Foundation	\$ 161,074	\$ 149,989
Total assets	\$ 4,170,655	\$ 2,274,416
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 44,229	\$ 27,731
Accrued expenses	50,070	50,862
Notes payable (Note 3)	28,349	110,000
Total current liabilities	\$ 122,648	\$ 188,593
Long-Term Liabilities		
Notes payable (Note 3)	61,651	
Total liabilities	\$ 184,299	\$ 188,593
Net Assets		
Unrestricted	\$ 1,790,774	\$ 1,650,450
Temporarily restricted (Note 6)	2,034,508	285,384
Permanently restricted (Note 6)	161,074	149,989
Total net assets	\$ 3,986,356	\$ 2,085,823
Total liabilities and net assets	\$ 4,170,655	\$ 2,274,416

(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, 2017 AND 2016

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
OPERATING:					
SUPPORT AND REVENUES:					
Direct public support:					
Contributions	\$ 761,689	\$	\$	\$ 761,689	\$ 719,083
Special events	138,388			138,388	227,899
In-kind contributions					
Thrift store	967,046			967,046	775,252
Food and other	220,623			220,623	162,739
Indirect public support:					
Support from governmental agencies	50,300			50,300	62,716
Private grants	298,005			298,005	380,784
Total support	<u>\$ 2,436,051</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,436,051</u>	<u>\$ 2,328,473</u>
Revenues:					
Thrift store revenue	\$ 461,150	\$	\$	\$ 461,150	\$ 369,661
Interest and dividends	21,009			21,009	18,091
Realized gains/losses	1,060			1,060	362
Unrealized gains/losses	968		11,085	12,053	(835)
Other income	5,418			5,418	9,935
Total revenue	<u>\$ 489,605</u>	<u>\$</u>	<u>\$ 11,085</u>	<u>\$ 500,690</u>	<u>\$ 397,214</u>
Net assets released from restrictions:					
Reclassified from restrictions	\$ 10,614	\$ (10,614)	\$	\$	\$
Total support and revenue	<u>\$ 2,936,270</u>	<u>\$ (10,614)</u>	<u>\$ 11,085</u>	<u>\$ 2,936,741</u>	<u>\$ 2,725,687</u>
EXPENSES AND LOSSES:					
Program services	\$ 2,385,194	\$	\$	\$ 2,385,194	\$ 2,202,337
Management and general	195,399			195,399	211,461
Development/fund raising	325,683			325,683	352,414
Total expenses and losses	<u>\$ 2,906,276</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,906,276</u>	<u>\$ 2,766,212</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>\$ 29,994</u>	<u>\$ (10,614)</u>	<u>\$ 11,085</u>	<u>\$ 30,465</u>	<u>\$ (40,525)</u>
NON-OPERATING SUPPORT AND EXPENSES:					
Capital campaign revenues	\$	\$ 1,877,506	\$	\$ 1,877,506	\$ 15,000
Capital campaign In-kind contributions					25,493
Support from governmental agencies		58,855		58,855	119,488
	(66,293)				(29,826)
Net assets released from restrictions	<u>176,623</u>	<u>(176,623)</u>			
CHANGE IN NET ASSETS FROM NON-OPERATING	<u>\$ 110,330</u>	<u>\$ 1,759,738</u>	<u>\$</u>	<u>\$ 1,936,361</u>	<u>\$ 130,155</u>
CHANGE IN NET ASSETS	<u>\$ 140,324</u>	<u>\$ 1,749,124</u>	<u>\$ 11,085</u>	<u>\$ 1,966,826</u>	<u>\$ 89,630</u>
NET ASSETS:					
Beginning of period	1,650,450	285,384	149,989	2,085,823	1,996,193
End of period	<u>\$ 1,790,774</u>	<u>\$ 2,034,508</u>	<u>\$ 161,074</u>	<u>\$ 4,052,649</u>	<u>\$ 2,085,823</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, 2017 AND 2016 (TOTAL)

	2017						2016		
	Men	Women & Children	Rescued Treasures	Community Kitchen	Total	Management and General	Development	Total	
Salaries and wages	\$ 292,595	\$ 229,481	\$ 201,077	\$ 80,794	\$ 803,947	\$ 105,271	\$ 97,746	\$ 1,006,964	
Payroll taxes	38,435	26,961	19,966	9,512	94,874	9,918	11,021	115,813	
Employee benefits	12,073	9,441	3,598	605	25,717	15,338	8,329	49,899	
Total	\$ 343,103	\$ 265,883	\$ 224,641	\$ 90,911	\$ 924,538	\$ 130,527	\$ 117,096	\$ 1,172,161	
Operations Expenses	27,630	15,760	31,963	31,663	107,016	10,266	7,939	125,221	
Facility Expenses	55,665	20,427	104,746	1,983	182,821	7,304	4,177	194,302	
Professional Services	547	461	1,669	469	3,146	26,412	48,883	78,441	
Office and Miscellaneous	2,651	704	8,929	562	12,846	9,186	5,051	27,083	
Staff Development	554	141	141	352	1,188	4,537	2,877	8,602	
Printing and Marketing	3,293	41	4,106	90	7,530	6,046	107,980	121,556	
Special Events							29,695	29,695	
Guest Development	22,094	6,770			28,864			28,864	
In-kind expenses:	6,618	35,170	967,047	66,851	1,075,686		1,985	1,077,671	
Total	\$ 462,155	\$ 345,357	\$ 1,343,242	\$ 192,881	\$ 2,343,635	\$ 194,278	\$ 325,683	\$ 2,863,596	
Depreciation	25,261	10,892	3,822	1,584	41,559	1,121		42,680	
Total	\$ 487,416	\$ 356,249	\$ 1,347,064	\$ 194,465	\$ 2,385,194	\$ 195,399	\$ 325,683	\$ 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, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,966,826	\$ 89,630
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	42,680	42,394
(Gain) Loss on disposal of assets	618	(50)
Unrealized (gain) loss	2,170	(6,620)
Noncash contribution of assets	(110,000)	(1,950)
(Increase) decrease in:		
Accounts Receivable	(15,630)	(76,503)
Prepaid expenses	(11,666)	
Increase (decrease) in:		
Accounts payable	16,498	998
Accrued expenses	(792)	13,271
Net cash provided by operating activities	\$ 1,890,704	\$ 61,170
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (208,724)	\$ (302,529)
Purchase of investments		(10,004)
Wyoming Community Foundation Endowment	(11,085)	9,813
Proceeds from sale of assets		2,000
Dividends reinvested	(11,179)	(8,605)
Net cash used by investing activities	\$ (230,988)	\$ (309,325)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	\$ 90,000	\$
Cash provided (used) by financing activities	\$ 90,000	\$
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,749,716	\$ (248,155)
CASH AND CASH EQUIVALENTS:		
Beginning of year	314,721	562,876
End of year	\$ 2,064,437	\$ 314,721
Supplementary Disclosures of Cash Flow Information:		
Cash paid during period for:		
Interest	\$ 1,968	\$
	\$ 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, 2017

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, 2017

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
DBA WYOMING RESCUE MISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 gross uncollected pledges were \$98,490 with an accretion discount of \$777. The net pledges receivable at June 30, 2017 is \$97,713. Pledges due in less than one year are \$85,086 and due within one to five years are \$12,627.

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 utilizes the services of an external bookkeeping service company to compile their financial information. WRM provides 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.

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 received approval for a Wyoming Community Development Authority loan for \$2.9 million with a 0% interest rate for one year that can be extended on annual increments up to five years to be used for construction of new facilities. Ground breaking for the new facilities was November 14, 2017.

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 any two bank in excess of the FDIC coverage. Deposits in one bank exceed FDIC coverage by \$58,110 and the other bank by \$431,261 at June 30, 2017.

CENTRAL WYOMING RESCUE MISSION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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	\$ 90,000
Less current maturities	<u>28,349</u>
Long-term debt	<u><u>\$ 61,651</u></u>

The following is the aggregate maturities in future years:

Year ended June 30	
2018	\$ 28,349
2019	29,971
2020	<u>31,680</u>
Total	<u><u>\$ 90,000</u></u>

On April 14, 1995 (and amended August 16, 1995), the WRM received a deferred promissory note through the Wyoming Community Development Authority (WCDA). The amount of the deferred promissory note was for \$110,000, which was secured by a mortgage on the aforementioned property. The deferred loan is due and payable on or before the maturity date of December, 2016. Wyoming Community Development Authority issued a release from the promissory note on January 6, 2017.

NOTE 4. OPERATING LEASES

WRM has a lease agreement to lease the WRM's Thrift Store building. On March 1, 2014, a lease agreement was signed through February 28, 2017 with a monthly lease payable at \$1,900 per month. Effective November 1, 2015, WRM is leasing the whole building with a verbal agreement to pay \$500 more per month for a total rent of \$2,400 per month. Effective March 1, 2017 the lease became a month to month lease for \$500 per month for the office space only.

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, 2019 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.

In addition, WRM leases a copier under a lease agreement that expires in March, 2017. The lease requires monthly payments of \$284.

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

CENTRAL WYOMING RESCUE MISSION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. OPERATING LEASES (continued)

Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	
2018	\$ 154,903
2019	160,917
2020	90,921
2021	4,912
2022	<u>3,912</u>
	<u>\$ 415,565</u>

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.

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.

Buildings		
Wyoming Community Development Authority		
Cost	\$ 392,511	
Accumulated depreciation	<u>(117,741)</u>	
Total book value		\$ 274,770
Capital Campaign		
Temporarily restricted cash	\$ 1,662,025	
Pledges receivable	<u>97,713</u>	
		<u>1,759,738</u>
Total temporarily restricted net assets		<u>\$ 2,034,508</u>

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6. NET ASSETS (continued)

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, 2017.

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, 2017, WRM received approximately \$69,899, 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, 2017, CWRM recorded no in-kind services related to Capital Campaign or land clearing and preparation.

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 \$42,185 and made pledges to the capital campaign fund of \$40,920 of which \$22,670 had been paid. Pledges receivable net of accretion discount of \$446, not reported as income, from Board Members at June 30, 2017 was \$17,804. Short-term pledges receivable from Board Members at June 30, 2017 are \$5,236 and long-term pledges receivable from Board Members at June 30, 2017 are \$12,568. No Board Member individually had materially significant transactions that would be considered related party transactions.

CENTRAL WYOMING RESCUE MISSION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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, 2017.

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.

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NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, WRM's assets at fair value as of June 30, 2017:

	Assets at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Government bonds	\$ 139,324	\$	\$	\$ 139,324
Common stock	261,030			261,030
Endowment funds held by Wyoming Community Foundation			161,074	161,074
Total assets at fair value	\$ 400,354	\$ 0	\$ 161,074	\$ 561,428

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, 2017 were as follows:

	Kathleen Henry Rescue Mission Endowment Fund	Central Wyoming Rescue Mission Agency Endowment Fund	Total Endowment Funds
Balance 07/01/2016	\$ 4,247	\$ 145,742	\$ 149,989
Interest and dividends	151	5,185	5,336
Realized gains/(losses)	9	312	321
Unrealized gains/(losses)	403	13,820	14,223
	\$ 4,810	\$ 165,059	\$ 169,869
Administrative expenses	(77)	(2,622)	(2,699)
Distributions	(178)	(5,918)	(6,096)
	\$ 4,555	\$ 156,519	\$ 161,074

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NOTE 10. INVESTMENTS

The following table represents the cost and current value of investments held for the period ending June 30, 2017:

<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	\$ 68,365	\$ 96,777
American Funds High Income Trust Class A	Mutual Fund	34,015	34,968
American Funds Washington Mutual Investors Fund Class A	Mutual Fund	23,228	35,230
The Bond Fund for American Fund Class A	Mutual Fund	25,428	29,418
U.S. Government Securities Fund Class A	Mutual Fund	<u>67,821</u>	<u>64,637</u>
		<u>\$ 218,857</u>	<u>\$ 261,030</u>
 U.S. Treasury Market Based Bond	 6 1/8% Bond 29 due 08/15/29	 <u>99,741</u>	 <u>139,324</u>
		<u>\$ 318,598</u>	<u>\$ 400,354</u>