

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019, 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

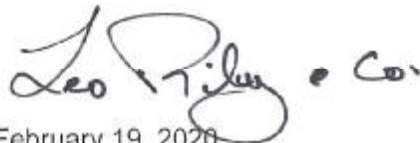
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Wyoming Rescue Mission dba Wyoming Rescue as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Central Wyoming Rescue Mission's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 20, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived. The June 30, 2018 data has been revised for the implementation of FASB pronouncement 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.

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 cursive script that reads "Leo Riley & Co." with a stylized flourish at the end.

February 19, 2020

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents (Note1)	\$ 872,021	\$ 1,250,332
Restricted cash and cash equivalents (Note 6)		237,853
Pledges receivable (Note 1)		
Unrelated parties	101,814	122,067
Related parties (Note 8)	101,207	59,773
Other receivables	18,250	3,575
Prepaid expenses	38,610	14,084
Food inventory	2,500	2,500
Total current assets	\$ 1,134,402	\$ 1,690,184
Investments (Note 10)		
Bonds	\$ 137,664	\$ 130,887
Marketable securities (at fair market value)	214,453	293,373
Total investments	\$ 352,117	\$ 424,260
Property and Equipment (Note 1)		
Land	\$ 856,747	\$ 536,579
Buildings	5,775,400	1,336,209
Construction in progress	1,935	3,017,800
Equipment	476,315	303,565
	\$ 7,110,397	\$ 5,194,153
Less accumulated depreciation	471,475	715,946
Total property and equipment, net	\$ 6,638,922	\$ 4,478,207
Long-Term Pledges		
Unrelated parties	\$ 6,885	\$ 121,535
Related parties (Note 8)		49,859
	\$ 6,885	\$ 171,394
Beneficial Interest Endowments (Note 9)		
Wyoming Community Foundation	\$ 163,716	\$ 168,990
Total assets	\$ 8,296,042	\$ 6,933,035
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 62,251	\$ 930,239
Accrued expenses	53,917	42,322
Notes payable (Note 3)	1,338,348	42,918
Total current liabilities	\$ 1,454,516	\$ 1,015,479
Long-Term Liabilities		
Notes payable (Note 3)		31,680
Total liabilities	\$ 1,454,516	\$ 1,047,159
Net Assets		
Without donor restrictions	\$ 6,324,998	\$ 4,861,641
With donor restrictions (Note 6)	516,528	1,024,235
Total net assets	\$ 6,841,526	\$ 5,885,876
Total liabilities and net assets	\$ 8,296,042	\$ 6,933,035

(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, 2019 AND 2018

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING:				
SUPPORT AND REVENUES:				
Direct public support:				
Contributions	\$ 1,043,996	\$	\$ 1,043,996	\$ 913,278
Special events	141,433		141,433	128,612
In-kind contributions				
Thrift store	788,541		788,541	747,890
Food and other	133,481		133,481	337,442
Indirect public support:				
Support from governmental agencies	67,720		67,720	56,700
Private grants	170,784		170,784	190,100
Total support	<u>\$ 2,345,955</u>	<u>\$</u>	<u>\$ 2,345,955</u>	<u>\$ 2,374,022</u>
Revenues:				
Thrift store revenue	\$ 751,078	\$	\$ 751,078	\$ 703,373
Interest and dividends	27,536		27,536	31,077
Realized gains/losses	26,282		26,282	20,177
Unrealized gains/losses	(18,622)	(5,274)	(23,896)	(16)
Other income	2,537		2,537	7,932
Total revenue	<u>\$ 788,811</u>	<u>\$ (5,274)</u>	<u>\$ 783,537</u>	<u>\$ 762,543</u>
Net assets released from restrictions:				
Release of net assets due to satisfaction of donor restrictions	<u>\$ 10,614</u>	<u>\$ (10,614)</u>	<u>\$</u>	<u>\$</u>
Total support and revenue	<u>\$ 3,145,380</u>	<u>\$ (15,888)</u>	<u>\$ 3,129,492</u>	<u>\$ 3,136,565</u>
EXPENSES AND LOSSES:				
Program services	\$ 2,794,845	\$	\$ 2,794,845	\$ 2,305,959
Management and general	201,852		201,852	220,757
Development/fund raising	350,906		350,906	370,761
Total expenses and losses	<u>\$ 3,347,603</u>	<u>\$</u>	<u>\$ 3,347,603</u>	<u>\$ 2,897,477</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>\$ (202,223)</u>	<u>\$ (15,888)</u>	<u>\$ (218,111)</u>	<u>\$ 239,088</u>
NON-OPERATING SUPPORT AND EXPENSES:				
Capital campaign revenues	\$	\$ 1,181,139	\$ 1,181,139	\$ 1,664,878
Capital campaign In-kind contributions				400
Support from governmental agencies		59,611	59,611	60,367
Miscellaneous capital campaign revenue		5,989	5,989	
Interest income		3,275	3,275	
Capital campaign expenses	(76,253)		(76,253)	(65,213)
Net assets released from restrictions	1,741,833	(1,741,833)		
CHANGE IN NET ASSETS FROM NON-OPERATING	<u>\$ 1,665,580</u>	<u>\$ (491,819)</u>	<u>\$ 1,173,761</u>	<u>\$ 1,660,432</u>
CHANGE IN NET ASSETS	<u>\$ 1,463,357</u>	<u>\$ (507,707)</u>	<u>\$ 955,650</u>	<u>\$ 1,899,520</u>
NET ASSETS:				
Beginning of period	4,861,641	1,024,235	5,885,876	3,986,356
End of period	<u>\$ 6,324,998</u>	<u>\$ 516,528</u>	<u>\$ 6,841,526</u>	<u>\$ 5,885,876</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, 2019 AND 2018 (TOTAL)

	2019				2018			
	Program Services			Total	Management and General	Development	Total	Total
Men, Women and Transition	Rescued Treasures	Community Kitchen						
Salaries and wages	\$ 525,259	\$ 216,680	\$ 90,134	\$ 832,073	\$ 117,871	\$ 115,784	\$ 1,065,728	\$ 1,092,886
Payroll taxes	66,543	30,473	11,498	108,514	10,915	13,021	132,450	122,907
Employee benefits	17,793	1,899	347	20,039	14,620	6,868	41,527	42,742
Total	<u>\$ 609,595</u>	<u>\$ 249,052</u>	<u>\$ 101,979</u>	<u>\$ 960,626</u>	<u>\$ 143,406</u>	<u>\$ 135,673</u>	<u>\$ 1,239,705</u>	<u>\$ 1,258,535</u>
Operations Expenses	51,771	31,509	37,332	120,612	9,808	7,109	137,529	125,691
Facility Expenses	339,169	203,856	25,258	568,283	9,708	9,756	587,747	287,861
Professional Services	596	1,749	183	2,528	18,658	39,444	60,630	80,631
Office and Miscellaneous	2,617	15,472	250	18,339	14,379	5,130	37,848	41,003
Staff Development	4,648	1,360	101	6,109	5,036	3,931	15,076	24,333
Printing and Marketing	3,853	1,727	102	5,682	853	114,151	120,686	110,661
Special Events	30			30	4	31,587	31,621	31,749
Guest Development	35,669			35,669		20	35,689	26,534
In-kind expenses:	21,669	788,541	107,707	917,917		4,105	922,022	855,332
	<u>\$ 1,069,617</u>	<u>\$ 1,293,266</u>	<u>\$ 272,912</u>	<u>\$ 2,635,795</u>	<u>\$ 201,852</u>	<u>\$ 350,906</u>	<u>\$ 3,188,553</u>	<u>\$ 2,842,330</u>
Depreciation	146,012	12,189	849	159,050			159,050	55,147
	<u>\$ 1,215,629</u>	<u>\$ 1,305,455</u>	<u>\$ 273,761</u>	<u>\$ 2,794,845</u>	<u>\$ 201,852</u>	<u>\$ 350,906</u>	<u>\$ 3,347,603</u>	<u>\$ 2,897,477</u>

(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, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 955,650	\$ 1,899,520
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	159,050	55,147
(Gain) Loss on disposal of assets	261,205	(20,177)
Unrealized (gain) loss	18,353	7,932
Noncash contribution of assets		(450,129)
(Increase) decrease in:		
Accounts receivable	128,654	(254,958)
Prepaid expenses	(24,526)	(2,418)
Increase (decrease) in:		
Accounts payable	(867,988)	886,010
Accrued expenses	11,595	(7,748)
Net cash provided by operating activities	\$ 641,993	\$ 2,113,179
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (2,607,252)	\$ (2,832,140)
Purchase of investments		(17,417)
Wyoming Community Foundation Endowment	5,274	(7,916)
Proceeds from sale of assets	88,996	264,157
Dividends reinvested	(8,925)	(14,421)
Net cash used by investing activities	\$ (2,521,907)	\$ (2,607,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	\$ 1,793,721	\$ 12,947
Reduction of long-term debt	(529,971)	(28,349)
Cash provided (used) by financing activities	\$ 1,263,750	\$ (15,402)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (616,164)	\$ (509,960)
CASH AND CASH EQUIVALENTS:		
Beginning of year	1,488,185	1,998,145
End of year	\$ 872,021	\$ 1,488,185
Supplementary Disclosures of Cash Flow Information:		
Cash paid during period for:		
Interest	\$ 2,495	\$ 4,331
	\$ 2,495	\$ 4,331

(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, 2019

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.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time or subject to donor-imposed stipulations that they be maintained permanently by the Center. When a restriction expires, with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities as satisfaction of restrictions.

Donor restricted contributions received during the year in which the restrictions are satisfied in the same reporting period are classified as without donor restricted support.

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.

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Contributions, including unconditional promises to give, are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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, 2019

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, accretion revenue is reported for the period since the pledge. At June 30, 2019 gross uncollected pledges were \$209,906 with an accretion discount of \$5,922. The net pledges receivable at June 30, 2019 is \$209,906. Pledges due in less than one year are \$203,021 and due within one to five years are \$6,885.

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.

Change in Accounting Policies

In 2016, the Financial Accounting Standards Board (FASB) adopted FASB pronouncement No. 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Center adopted this effective for the year ending June 30, 2019 with retroactive application to the 2018 fiscal year data. The retroactive application had no effect on 2018 net assets or change in net assets, but required that the captions temporarily and permanently restricted net assets be combined into one total.

The new pronouncement required all not-for-profits:

- Report two classes of net assets (net assets with donor restrictions and net assets without donor restrictions).
- Report expenses by both function and nature.
- Eliminated the requirement of those who use the direct method to report cash flows to report a reconciliation with the indirect method.

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 no deposits in excess of the FDIC coverage.

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	\$ 31,680
Wyoming Community Development Authority; 0.00%; one payment due February 28, 2020; secured by real property located on N. Park Street	1,306,668
	\$ 1,338,348
Less current maturities	1,338,348
Long-term debt	\$ 0

The following is the aggregate maturities in future years:

Year ended June 30	
2020	\$ 1,338,348
Total	\$ 1,338,348

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, 2023. The lease payments for February 1, 2018 to January 31, 2019 are \$9,610.17 per month; February 1, 2018 to January 31, 2020 are \$10,028.00 per month; February 1, 2020 to January 31, 2021 are \$10,028.00 per month; February 1, 2021 to January 31, 2022 are \$10,455.83 per month; and February 1, 2022 to January 31, 2023 are \$10,863.67 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.

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.

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4. OPERATING LEASES (Continued)

Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	
2020	\$ 165,931
2021	157,020
2022	160,382
2023	93,361
	<u>\$ 576,694</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 February 14, 2019, the Federal Home Loan Bank of Des Moines, Jonah Bank of Wyoming and Wyoming Rescue Mission entered into two Affordable Housing Program Subsidy Agreements for the construction of the Transformation Center and New Life Center with grant amounts of \$698,750 and \$750,000 respectively. The grant includes a restriction that once Centers are constructed, they must be used exclusively for the care of needy persons for a minimum of 15 years.

NOTE 6. 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.

WRM has restricted assets with the Wyoming Community Foundation. WRM, on August 24, 1994, gifted property to Wyoming Community Foundation to establish Kathleen Hemry 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, 2019.

CENTRAL WYOMING RESCUE MISSION
DBA WYOMING RESCUE MISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 WRM.

As of June 30, 2019, WRM received approximately \$81,159, 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, 2019, WRM recorded in-kind services of \$400 related to development expenses and \$3,705 related to Fishin for Mission.

NOTE 8. RELATED PARTY TRANSACTIONS

WRM had contributions and pledges received from related party transactions to report. Collectively, Board Members and their families made contributions of \$68,835 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 \$3,083, not reported as income, from Board Members at June 30, 2019 was \$92,627. Short-term pledges receivable from Board Members at June 30, 2019 are \$92,627. 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
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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, 2019.

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, 2019:

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Government bonds	\$ 137,664	\$	\$	\$ 137,664
Common stock	214,453			214,453
Endowment funds held by Wyoming Community Foundation			163,716	163,716
Total assets at fair value	\$ 352,117	\$ 0	\$ 163,716	\$ 515,833

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, 2019 were as follows:

CENTRAL WYOMING RESCUE MISSION
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NOTES TO FINANCIAL STATEMENTS
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NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

	Rescue Mission Endowment Fund	Mission Agency Endowment Fund	Total Endowment Funds
	<u> </u>	<u> </u>	<u> </u>
Balance 07/01/2018	\$ 4,775	\$ 164,215	\$ 168,990
Interest and dividends	191	6,551	6,742
Realized gains/(losses)	1	32	33
Unrealized gains/(losses)	(80)	(2,741)	(2,821)
	<u>\$ 4,887</u>	<u>\$ 168,057</u>	<u>\$ 172,944</u>
Administrative expenses	(79)	(2,725)	(2,804)
Distributions	(184)	(6,240)	(6,424)
	<u> </u>	<u> </u>	<u> </u>
Balance 06/30/2019	<u>\$ 4,624</u>	<u>\$ 159,092</u>	<u>\$ 163,716</u>

NOTE 10. INVESTMENTS

The following table represents the cost and current value of investments held for the period ending June 30, 2019:

<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	\$ 13,763	\$ 14,106
American Funds High Income Trust Class A	Mutual Fund	42,477	42,333
American Funds Washington Mutual Investors Fund Class A	Mutual Fund	40,007	55,035
The Bond Fund for American Fund Class A	Mutual Fund	30,712	35,259
U.S. Government Securities Fund Class A	Mutual Fund	69,945	67,720
		<u>\$ 196,904</u>	<u>\$ 214,453</u>
U.S. Treasury Market Based Bond	6 1/8% Bond 29 due 08/15/29	99,741	137,664
		<u>\$ 296,645</u>	<u>\$ 352,117</u>