

**LAS VEGAS RESCUE MISSION**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**LAS VEGAS RESCUE MISSION  
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YEARS ENDED JUNE 30, 2022 AND 2021**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Las Vegas Rescue Mission  
Las Vegas, Nevada

### *Opinion*

We have audited the accompanying financial statements of Las Vegas Rescue Mission (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Las Vegas Rescue Mission as of June 30, 2022 and 2021 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Las Vegas Rescue Mission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Vegas Rescue Mission's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Las Vegas Rescue Mission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Vegas Rescue Mission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Houldsworth, Russo & Company, P.C.*

Las Vegas, Nevada  
January 20, 2023

**LAS VEGAS RESCUE MISSION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 3,509,196	\$ 2,284,175
Cash and equivalents, restricted	159,736	246,850
Investments	15,354	16,273
Accounts receivable	23,080	26,064
Pledges receivable	86,000	94,200
Grants receivable	40,064	137,631
Prepaid expenses	75,095	51,304
Other current assets	1,769	1,144
	<u>3,910,294</u>	<u>2,857,641</u>
<b>OTHER ASSETS</b>		
Cash and equivalents, restricted	876,249	331,681
Property and equipment, net	5,471,641	5,545,262
	<u>\$ 10,258,184</u>	<u>\$ 8,734,584</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 87,031	\$ 109,587
Accrued liabilities	134,619	62,201
Deferred compensation	-	10,500
Capital lease payable, current	7,027	9,137
Funds held for others	7,617	4,443
Deferred revenue	40,525	32,200
Notes payable, current	1,000,000	83
	<u>1,276,819</u>	<u>228,151</u>
<b>LONG-TERM DEBT</b>		
Capital lease payable, net of current portion	12,710	10,547
Notes payable, net of current portion	500,000	1,149,917
	<u>1,789,529</u>	<u>1,388,615</u>
<b>NET ASSETS</b>		
Without donor restrictions	7,346,670	6,673,238
With donor restrictions	1,121,985	672,731
	<u>8,468,655</u>	<u>7,345,969</u>
	<u>\$ 10,258,184</u>	<u>\$ 8,734,584</u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Revenue, gains, and other support:		
Contributions	\$ 3,482,961	\$ 3,887,182
Government grants	383,229	512,977
Paycheck Protection Program loan forgiveness	-	388,200
Special event revenue	\$ 240,576	\$ 171,600
Less: direct benefits to donors	<u>42,036</u>	<u>34,154</u>
	198,540	137,446
Sale of merchandise	213,857	168,761
Program revenue	277,075	205,371
In-kind donations	678,788	1,168,127
Investment return, net	4,085	1,188
Rental revenue	17,000	18,150
Gain on disposal	1,928	-
Other revenue	4,695	24,316
Release from restriction	<u>197,788</u>	<u>158,001</u>
Total revenue, gains, and other support	5,459,946	6,669,719
Expenses and losses:		
Program services:		
Recovery	1,416,022	1,479,571
Thrift store	409,714	408,994
Shelter and homeless services	<u>1,278,541</u>	<u>1,556,878</u>
Total program services	<u>3,104,277</u>	<u>3,445,443</u>
Support services:		
Management and general	536,425	476,072
Fundraising	<u>1,145,812</u>	<u>990,320</u>
Total expenses	<u>4,786,514</u>	<u>4,911,835</u>
Change in net assets without donor restrictions	<u>673,432</u>	<u>1,757,884</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	647,042	87,681
Release from restriction	<u>(197,788)</u>	<u>(158,001)</u>
Change in net assets with donor restrictions	<u>449,254</u>	<u>(70,320)</u>
<b>CHANGE IN NET ASSETS</b>	<u>1,122,686</u>	<u>1,687,564</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>7,345,969</u>	<u>5,658,405</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 8,468,655</u></u>	<u><u>\$ 7,345,969</u></u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services			Supporting Services		Special Event	Total
	Recovery	Thrift Store	Shelter and Homeless Services	Management and General	Fundraising	Direct Benefits To Donors	
Wages and payroll taxes	\$ 493,500	\$ 178,232	\$ 437,307	\$ 341,296	\$ 273,381	\$ -	\$ 1,723,716
Employee benefits	38,604	13,943	34,209	26,699	21,386	-	134,841
Advertising	-	-	-	-	576,501	-	576,501
Bank and merchant fees	-	2,477	-	8,097	13,855	-	24,429
Depreciation	103,942	60,574	82,913	7,019	7,438	-	261,886
Dues and subscriptions	2,767	999	2,452	1,913	1,533	-	9,664
Equipment rental	8,579	5,000	6,844	579	614	-	21,616
Food commodities	243,421	-	494,219	-	-	-	737,640
Insurance	29,529	17,208	23,554	1,994	2,113	-	74,398
Interest	-	-	-	24,176	-	-	24,176
Maintenance	59,589	34,727	47,534	4,024	4,264	-	150,138
Meals	1,567	566	1,388	1,083	868	-	5,472
Office supplies	11,369	6,626	9,069	768	814	-	28,646
Postage and shipping	1,729	624	1,532	1,195	101,304	-	106,384
Professional fees	38,623	13,973	34,215	99,353	129,481	-	315,645
Supplies	254,333	1,969	-	-	-	13,756	270,058
Property taxes	-	-	-	5,082	-	-	5,082
Training	9,352	3,377	8,287	6,467	5,181	-	32,664
Transportation	20,196	11,770	16,110	-	-	-	48,076
Utilities	98,922	57,649	78,908	6,680	7,079	-	249,238
Venue	-	-	-	-	-	28,280	28,280
	<u>\$ 1,416,022</u>	<u>\$ 409,714</u>	<u>\$ 1,278,541</u>	<u>\$ 536,425</u>	<u>\$ 1,145,812</u>	42,036	4,828,550
Less: direct benefits to donors						(42,036)	(42,036)
						<u>\$ -</u>	<u>\$ 4,786,514</u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services			Supporting Services		Special Event	Total
	Recovery	Thrift Store	Shelter and Homeless Services	Management and General	Fundraising	Direct Benefits To Donors	
Wages and payroll taxes	\$ 448,588	\$ 187,403	\$ 407,633	\$ 280,467	\$ 269,471	\$ -	\$ 1,593,562
Employee benefits	48,855	20,410	44,395	30,545	29,348	-	173,553
Advertising	-	-	-	-	528,474	-	528,474
Bank and merchant fees	-	1,588	-	6,902	26,861	-	35,351
Depreciation	98,254	57,259	78,375	6,634	7,030	-	247,552
Dues and subscriptions	2,105	880	1,913	1,316	1,265	-	7,479
Equipment rental	6,608	3,851	5,271	446	473	-	16,649
Food commodities	404,801	-	821,870	-	-	-	1,226,671
Insurance	28,975	16,885	23,112	1,956	2,073	-	73,001
Interest	-	-	-	16,710	-	-	16,710
Maintenance	48,879	28,485	38,990	3,300	3,498	-	123,152
Meals	786	329	715	492	473	-	2,795
Office supplies	25,302	14,745	20,182	1,708	1,810	-	63,747
Postage and shipping	1,306	545	1,186	816	93,222	-	97,075
Professional fees	27,064	11,938	24,168	108,960	14,232	-	186,362
Supplies	227,715	1,946	-	-	-	4,279	233,940
Property taxes	-	-	-	3,856	-	-	3,856
Training	9,514	3,975	8,646	5,948	5,715	-	33,798
Transportation	11,731	6,837	9,358	-	-	-	27,926
Utilities	89,088	51,918	71,064	6,016	6,375	-	224,461
Venue	-	-	-	-	-	29,875	29,875
	<u>\$ 1,479,571</u>	<u>\$ 408,994</u>	<u>\$ 1,556,878</u>	<u>\$ 476,072</u>	<u>\$ 990,320</u>	<u>34,154</u>	<u>4,945,989</u>
Less: direct benefits to donors						(34,154)	(34,154)
						<u>\$ -</u>	<u>\$ 4,911,835</u>

See notes to financial statements



**LAS VEGAS RESCUE MISSION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in in net assets	\$ 1,122,686	\$ 1,687,564
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	261,886	247,552
Paycheck Protection Program loan forgiveness	-	(388,200)
Gain on disposal	(1,928)	-
Unrealized loss on investments	919	-
(Increase) decrease in operating assets:		
Accounts receivable	2,984	(1,639)
Pledges receivable	8,200	(6,200)
Grants receivable	97,567	(115,108)
Prepaid expenses	(23,791)	26,129
Other current assets	(625)	821
Increase (decrease) in operating liabilities:		
Accounts payable	(30,756)	53,910
Accrued liabilities	72,418	(43,199)
Deferred compensation	(10,500)	-
Funds held for others	3,174	(26,381)
Deferred revenue	8,325	17,675
Net cash provided by operating activities	<u>1,510,559</u>	<u>1,452,924</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(170,964)</u>	<u>(347,797)</u>
Net cash used in investing activities	<u>(170,964)</u>	<u>(347,797)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease obligations	(7,120)	(3,918)
Proceeds from Economic Injury Disaster Loan	<u>350,000</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>342,880</u>	<u>(3,918)</u>
<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	1,682,475	1,101,209
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,862,706</u>	<u>1,761,497</u>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 4,545,181</u></u>	<u><u>\$ 2,862,706</u></u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>SUMMARY OF CASH ACCOUNTS</b>		
Cash and equivalents	\$ 3,509,196	\$ 2,284,175
Cash and equivalents, restricted, current	159,736	246,850
Cash and equivalents, restricted, non current	<u>876,249</u>	<u>331,681</u>
	<u>\$ 4,545,181</u>	<u>\$ 2,862,706</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	<u>\$ 24,176</u>	<u>\$ 16,710</u>
Accrued and unpaid purchases of property and equipment	<u>\$ 8,200</u>	<u>\$ -</u>
Property and equipment acquired through capital lease obligations	<u>\$ 9,101</u>	<u>\$ -</u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities*

Las Vegas Rescue Mission (the Organization or the Mission) is a non-profit organization located in Southern Nevada, which was organized solely for educational, religious, scientific and general charitable purposes. The Mission provides food, shelter, and clothing, and offers programs to help citizens recover from alcohol and drugs, and spiritual guidance.

The Mission was incorporated under the laws of the State of Nevada on October 3, 1979.

*Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables, and other liabilities.

*Financial Statement Presentation*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205 and subsections. Under the FASB ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

*Use of Estimates*

Timely 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. See Note 10 for discussion of significant estimates.

*Cash and Equivalents*

The Mission considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

*Income Taxes*

The Mission is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code.

*Advertising*

The Mission uses advertising to promote its programs among the audience it serves. The production costs of advertising are expensed as incurred.

**LAS VEGAS RESCUE MISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Receivables*

Receivables are stated at the amount management expects to collect from outstanding balances. It is the Mission's policy to charge off uncollectible receivables when management determines the receivable will not be collected. As of June 30, 2022 and 2021, management expects the outstanding balances to be collected in full and no allowance was recognized. No interest income is recognized or charged on receivables. Pledges receivable at June 30, 2022 and 2021 are considered collectible, unconditional, and due within one year. Accordingly, no discount has been recognized. Grants receivable represent funds to be reimbursed to the Mission for incurring expenses considered allowable under the grant agreements. The Mission expects to collect all grants receivable in full in less than one year.

*Property and Equipment*

The Mission follows the practice of capitalizing all expenditures for property and equipment in excess of \$2,500 with a useful life over one year. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the useful lives of the assets, generally as follows:

Vehicles	5 Years
Furniture, fixtures and equipment	5-7 Years
Buildings and improvements	5-39 Years

When assets are retired or otherwise disposed, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities for the period. The cost of maintenance and repairs is expensed as incurred, while significant renewals and betterments are capitalized.

*Impairment of Long-Lived Assets*

The Mission periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of property and equipment or whether the remaining balance of property and equipment should be evaluated for possible impairment. The Mission uses an estimate of the related undiscounted cash flows over the remaining life of the property and equipment in measuring their recoverability.

*Deferred Revenue*

Event attendance fees or sponsorships collected in advance are included in deferred revenue in the accompanying statements of financial position. This deferred revenue is expected to be recognized within one year.

**LAS VEGAS RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Donated Assets and Services*

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation. Generally, donated goods, if significant in amount, are recorded at fair market value provided the Mission has a clearly measurable and objective basis for determining the value.

Donated services are recognized as contributions in accordance with FASB ASC, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Mission. The Mission received a substantial amount of donated services from unpaid volunteers. However, the value of the contributed services is not reflected in the accompanying financial statements as it did not meet the criteria for recognition under FASB ASC.

*Revenue With and Without Donor Restrictions*

Contributions received are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the existence and/or nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

*Reclassifications*

Certain reclassifications have been made to the 2021 presentation to be comparative to the 2022 presentation.

*Expense Allocation*

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Some expenses can be directly allocated to one of the programs or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses were allocated on the basis of a salary and square footage allocation percentages, which is calculated based on the estimate of the percentage of time employees spend working under the various programs or supporting functions or the proportionate square footage used by the activity.

**LAS VEGAS RESCUE MISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Expense Allocation (Continued)*

The following expenses were directly allocated by function based on the nature of the expense: advertising, bank and merchant fees, food commodities, interest, supplies, property taxes, and venue.

The following expenses were allocated on the basis of an estimate of employee time and effort: wages and payroll taxes, employee benefits, dues and subscriptions, meals and training.

The following expenses were allocated on the basis of an estimate of the square footage utilized by the program or supporting function: depreciation, equipment rental, insurance, maintenance, office supplies, transportation and utilities.

The following expenses were allocated on the basis of a combination of the nature of the expense and employee time and effort: postage and shipping and professional fees.

*Recent Accounting Pronouncements*

The FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statements of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, which classification affecting the pattern of expense recognition in the statements of activities. The new standard will be effective for our fiscal year ending June 30, 2023.

During the year ended June 30, 2022, the Mission adopted ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which is effective for fiscal years beginning after June 15, 2021. This update is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. Adoption of this ASU had no effect on the balance of net assets for any period presented.

*Date of Management's Review*

Subsequent events have been evaluated through January 20, 2023, which is the date the financial statements were available to be issued.

**LAS VEGAS RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY**

The Mission is substantially supported by contribution revenues, program revenues and donated merchandise sales, and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Mission manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To help manage unanticipated liquidity needs, the Mission has a line of credit for a total of \$250,000, which could be drawn upon, as discussed in Note 13.

The following table reflects the Mission's financial assets as of June 30, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
Cash and equivalents	\$ 4,545,181	\$ 2,862,706
Investments	15,354	16,273
Accounts receivable	23,080	26,064
Pledges receivable	86,000	94,200
Grants receivable	40,064	137,631
Other current assets	<u>1,769</u>	<u>1,144</u>
Total financial assets	<u>4,711,448</u>	<u>3,138,018</u>
Less amounts unavailable for general expenditures within one year, due to:		
Funds held on behalf of others	7,617	4,443
Restricted by donors with purpose or time restrictions	<u>876,249</u>	<u>331,681</u>
Total amounts unavailable for general expenditures within one year	<u>883,866</u>	<u>336,124</u>
Total for general expenditures within one year	<u>\$ 3,827,582</u>	<u>\$ 2,801,894</u>

**NOTE 3. FUNDS HELD FOR OTHERS**

As of June 30, 2022 and 2021, funds held for others consists of monies held by the Mission for program participants who do not maintain bank accounts. These monies are readily available to the individuals.

**NOTE 4. CONCENTRATIONS AND RELATED PARTY**

In the ordinary course of business, the Organization maintains cash balances at financial institutions in excess of federally insured limits. The cash held by the banking institutions is insured up to the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000.

**LAS VEGAS RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 4. CONCENTRATIONS AND RELATED PARTY (CONTINUED)**

As of the year ended June 30, 2022, 87% of total pledges receivable were due from one donor. For the year ended June 30, 2021, 96% of total pledges receivable were due from two donors.

For the year ending June 30, 2022, approximately 87% of the total pledges receivable balance was due from a company in which a board member had significant influence. Revenues of approximately \$350,000, inclusive of the pledge receivable, were recognized that were attributable to this board member.

For the year ending June 30, 2021, approximately 53% of the total pledges receivable balance was due from a company in which a board member had significant influence. Revenues of approximately \$240,000, inclusive of the pledge receivable, were recognized that were attributable to this board member.

**NOTE 5. INVESTMENTS AND FAIR VALUE OF ASSETS**

In accordance with FASB ASC 820-10, the following are quantitative disclosures about the fair value measurements. Fair value measurements are categorized on three levels:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities, which are traded by dealers and brokers in active markets. Valuations obtained from readily available pricing.

Level 2 – Valuation for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain unobservable assumptions and projections in determining the fair value assigned to such assets and liabilities.

The fair value guidance at ASC 820-10 also includes an exemption from classification within the three fair value hierarchy levels for certain investments where fair value is measured using net asset value per share (or its equivalent). The fair value amounts noted as being included at NAV in the table below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.



**LAS VEGAS RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 5. INVESTMENTS AND FAIR VALUE OF ASSETS (CONTINUED)**

For the fiscal years ending June 30, 2022 and 2021, the Mission's only assets or liabilities measured at fair value are its investments. Investments measured at fair value on a recurring basis as of June 30 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Investments measured at net asset value</u>	<u>2022 Total</u>
REIT					
Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,354</u>	<u>\$ 15,354</u>

  

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Investments measured at net asset value</u>	<u>2021 Total</u>
REIT					
Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,273</u>	<u>\$ 16,273</u>

**NOTE 6. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Buildings and improvements	\$ 8,402,704	\$ 8,245,874
Land	343,757	343,757
Vehicles	199,279	199,279
Furniture, fixtures, and equipment	1,112,282	1,090,028
Website and software	<u>31,252</u>	<u>31,252</u>
	10,089,274	9,910,190
Less: accumulated depreciation	<u>4,617,633</u>	<u>4,364,928</u>
	<u>\$ 5,471,641</u>	<u>\$ 5,545,262</u>

Depreciation expense related to property and equipment, exclusive of capital lease amortization, totaled \$257,934 and \$242,246 for the years ended June 30, 2022 and 2021, respectively.

**LAS VEGAS RESCUE MISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 7. NOTES PAYABLE**

In December 2007, the Mission was awarded an Affordable Housing Program (AHP) Subsidy for the construction of the Las Vegas Rescue Mission Men's Center totaling \$1,000,000. These funds have been recognized as a note payable and will be forgiven once the 15-year life of the note payable has expired. The entire \$1,000,000 balance of the loan will be recognized as a gain in the year of expiration.

This agreement includes certain restrictive covenants that must be adhered to by the Mission. These covenants include compliance with AHP regulations and a requirement that dwellings remain occupied by individuals whose incomes meet low-income thresholds, among others. If the Mission fails to meet any of these covenants, it is required to repay the note payable. The loan is collateralized with the premises located at 480 W. Bonanza Road in Las Vegas, Nevada. As of June 30, 2022, and 2021, the Mission was in compliance with all such covenants.

On April 9, 2020, the Mission (the Borrower) qualified for and received a loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the PPP Lender), for an aggregate principal amount of approximately \$388,200 (the PPP Loan). The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the SBA. The principal and accrued interest of the PPP Loan is subject to forgiveness under the PPP upon the Mission request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the PPP, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Mission.

The Mission accounted for the PPP loan as a financial liability during the year ended June 30, 2020 in accordance with FASB ASC 470 and accrued interest in accordance with the interest method under FASB ASC 835-30. The loan will be recognized as revenue when loan forgiveness is provided by the SBA.

This PPP loan was approved for forgiveness by the SBA on June 17, 2021. The Mission recognized contribution revenue for the total amount forgiven by the SBA, which included accrued interest through the date of forgiveness, during the year ended June 30, 2021.

On June 1, 2020, the Mission was granted a loan (Loan) from the U.S. Small Business Administration (SBA) in the aggregate amount of \$150,000 pursuant to the Economic Injury Disaster Loan Program (EIDL), under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan, which was in the form of a note dated June 1, 2020, matures on June 1, 2050 and bears interest at a rate of 2.75% per annum which will accrue only on funds actually advanced from the date of each advance. The loan is payable in monthly installment of \$641 with each payment and the balance paid to principal. Loan payments commence starting on June 1, 2021. The note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used as working capital which are subject to certain restrictions. The Mission intends to use the Loan for qualifying expenses.

**LAS VEGAS RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 7. NOTES PAYABLE (CONTINUED)**

On July 28, 2021, the Mission's EIDL Loan was amended to provide an additional amount of \$350,000 for a total aggregate amount of \$500,000. The new monthly installment payments of \$2,206 will commence on December 1, 2022. The note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used as working capital which are subject to certain restrictions. The Mission intends to use the Loan for qualifying expenses.

Required principal payments on the loans are as follows for the year ended June 30, 2022:

2023	\$ 1,000,000
2024	-
2025	9,811
2026	13,157
2027	13,523
Thereafter	<u>463,509</u>
	1,500,000
Less: current portion	<u>1,000,000</u>
Net of current portion	<u>\$ 500,000</u>

**NOTE 8. CAPITAL LEASES**

The Mission leases equipment under long-term lease agreements that are classified as capital leases. Amortization expense of \$3,952 and \$5,306 is included in depreciation expense for the years ended June 30, 2022 and 2021, respectively. Assets under capital lease obligations include property and equipment as of June 30:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 26,600	\$ 26,984
Less: accumulated amortization	<u>14,455</u>	<u>17,875</u>
Total assets under capital lease obligations	<u>\$ 12,145</u>	<u>\$ 9,109</u>

**LAS VEGAS RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 8. CAPITAL LEASES (CONTINUED)**

Future net minimum rental payments, which are required under the capital leases for the year ending June 30, 2022, are as follows:

2023	\$ 18,782
2024	11,420
2025	6,162
2026	6,162
2027	6,162
Thereafter	<u>514</u>
Total minimum lease payments	49,202
Less: amount representing interest	<u>29,465</u>
Total	<u>\$ 19,737</u>
Current obligations under capital leases	\$ 7,027
Long-term obligations under capital leases	<u>12,710</u>
Total obligations under capital leases	<u>\$ 19,737</u>

**NOTE 9. DEFERRED COMPENSATION**

The Mission has a deferred compensation arrangement with a former officer of the Mission. Providing the Mission is solvent, the recipient is entitled to a defined benefit payment of \$1,500 per month for the remainder of the recipient's life. If the Mission becomes insolvent, payments to the recipient will cease until such a time that the Mission regains solvency. During times of insolvency, the defined benefit payment of \$1,500 will accrue.

During the years ended June 30, 2022 and 2021, \$15,000 and \$18,000, respectively, was paid to the recipient. As of June 30, 2021, the estimated deferred compensation liability was \$10,500. This amount was calculated using inputs to include the anticipated life expectancy of the recipient, an estimated return on investment of 0.71%, and a monthly payment of \$1,500 at initial recognition (see Note 10). As of June 30, 2022, the Mission no longer maintained a deferred compensation liability due to the former officer passing away during the year.

**LAS VEGAS RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 10. ESTIMATES**

The Mission receives significant amounts of donated food and goods which are recognized as in-kind revenues and expenses. The valuation of these in-kind donations is a significant estimate. The amount recorded as donated food revenue and expense is determined using the estimated fair value of that food. The amount recorded as other in-kind revenue and expense is determined based on the estimated fair value of the items donated.

The deferred compensation liability is estimated using the anticipated life expectancy of the beneficiary. It is reasonably possible that the actual life of the beneficiary could differ from this estimate. As of June 30, 2021, the effects of the financial statement impact of this reasonably possible change in estimate are not able to be determined. There was no estimate for deferred compensation as of June 30, 2022, as is disclosed in Note 9.

**NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes at June 30:

	<u>2022</u>	<u>2021</u>
Capital campaign	\$ 622,458	\$ -
Shelter of Hope	228,820	253,000
Transportation	75,000	75,000
Father's Haven	49,001	65,206
Women's scholarships	48,000	48,000
Toy drive	24,584	-
Vehicle purchase	20,000	20,000
Men's recovery dorm	4,972	68,681
Recovery Program	1,869	5,932
Baby essentials	1,111	1,573
Blankets	170	1,000
Make Over the Mission	-	77,913
Shelter and Homeless Program	-	1,415
Underwear drive	-	811
Time restricted	<u>46,000</u>	<u>54,200</u>
	<u>\$ 1,121,985</u>	<u>\$ 672,731</u>

Net assets with donor restrictions are held as follows at June 30:

	<u>2022</u>	<u>2021</u>
Cash and equivalents, current	\$ 159,736	\$ 246,850
Cash and equivalents, long-term	876,249	331,681
Pledges receivable	<u>86,000</u>	<u>94,200</u>
	<u>\$ 1,121,985</u>	<u>\$ 672,731</u>

**LAS VEGAS RESCUE MISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time for the years ended June 30,:

	<u>2022</u>	<u>2021</u>
Make Over the Mission	\$ 77,913	\$ 63,821
Men's recovery dorm	63,709	-
Shelter of Hope	24,180	-
Father's Haven	16,205	419
Recovery Program	4,063	10,387
Shelter and Homeless Program	1,415	30,838
Blankets	830	-
Underwear drive	811	1,656
Baby essentials	462	-
Transportation	-	37,374
Permanent Housing Program	-	10,000
Learning center	-	1,591
Toy drive	-	115
Time restricted	<u>8,200</u>	<u>1,800</u>
	<u>\$ 197,788</u>	<u>\$ 158,001</u>

**NOTE 12. IN-KIND CONTRIBUTIONS**

The Mission received goods and services donated for use in their programs. The Mission receives a substantial amount of donated food that is distributed to shelter clients. Assets unconditionally donated and retained by the Organization are recorded at fair value on the date of donation.

The Organization's in-kind contributions consisted of the following during the year ended June 30, 2022:

<u>Category</u>	<u>Usage</u>	<u>Total</u>
Donated food	Distributed to shelter clients	\$ 597,356
Donated goods	Advertising	<u>81,432</u>
		<u>\$ 678,788</u>

The Organization's in-kind contributions consisted of the following during the year ended June 30, 2021:

<u>Category</u>	<u>Usage</u>	<u>Total</u>
Donated food	Distributed to shelter clients	\$ 1,057,512
Donated goods	Advertising	107,615
Donated services	Maintenance	<u>3,000</u>
		<u>\$ 1,168,127</u>

**LAS VEGAS RESCUE MISSION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

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**NOTE 13. COMMITMENTS**

In December 2015, the Mission entered into a line of credit agreement for \$250,000 that is collateralized by the Mission's property. As of June 30, 2022, this line of credit had a maturity date of November 30, 2024, an interest rate of 6% and a balance of \$0. As of June 30, 2021, this line of credit had a maturity date of November 30, 2021, an interest rate of 6% and a balance of \$0.

**NOTE 14. OPERATING LEASES**

The Mission leases postage, kitchen and office equipment classified as operating leases. The leases are renewable and have varying expiration dates. Total rent expense under these leases for the years ended June 30, 2022 and 2021 was \$12,281 and \$15,533, respectively

Future minimum rental payments, which are required under the operating leases for the year ending June 30, 2022 are as follows:

2023	\$	3,580
2024		1,275
2025		<u>1,275</u>
	\$	<u>6,130</u>