

**LAS VEGAS RESCUE MISSION**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

The logo for HRC (Human Resources Corporation) is located in the bottom right corner. It consists of the letters "HRC" in a white, sans-serif font, centered within a dark blue square. The square has a white border and is set against a background of green curved shapes.

**HRC**

**LAS VEGAS RESCUE MISSION  
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YEARS ENDED JUNE 30, 2024 AND 2023**

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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, 2024 and 2023, 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, 2024 and 2023 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 audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 30, 2025

**LAS VEGAS RESCUE MISSION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 4,166,653	\$ 3,744,309
Cash and equivalents, restricted	1,070,912	197,714
Investments	13,943	15,223
Accounts receivable	74,101	61,947
Unconditional promises to give	141,050	92,500
Grants receivable	127,114	117,795
Prepaid expenses	89,641	125,889
Other current assets	7,649	3,306
	<u>5,691,063</u>	<u>4,358,683</u>
<b>OTHER ASSETS</b>		
Cash and equivalents, restricted	1,251,335	1,506,502
Property and equipment, net	5,890,547	5,274,135
Operating lease right-of-use (ROU) assets	15,511	23,522
Finance lease right-of-use (ROU) assets	31,704	41,703
	<u>\$ 12,880,160</u>	<u>\$ 11,204,545</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 115,210	\$ 89,095
Accrued liabilities	158,515	147,648
Funds held for others	6,789	2,395
Deferred revenue	31,500	7,000
Notes payable, current	9,811	-
Operating lease liabilities, current	8,325	8,011
Finance lease liabilities, current	7,822	10,412
	<u>337,972</u>	<u>264,561</u>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liabilities, net of current portion	7,186	15,511
Finance lease liabilities, net of current portion	27,194	36,103
Notes payable, net of current portion	1,490,189	1,500,000
	<u>1,862,541</u>	<u>1,816,175</u>
<b>NET ASSETS</b>		
Without donor restrictions	7,925,468	7,591,654
With donor restrictions	3,092,151	1,796,716
	<u>11,017,619</u>	<u>9,388,370</u>
	<u>\$ 12,880,160</u>	<u>\$ 11,204,545</u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Revenue, gains, and other support:		
Contributions	\$ 3,834,562	\$ 3,494,298
Government grants	679,577	461,657
Special event revenue	\$ 265,335	\$ 270,336
Less: direct benefits to donors	<u>48,395</u>	<u>44,297</u>
	216,940	226,039
Sale of merchandise	226,988	219,353
Program revenue	564,006	485,747
In-kind donations	741,542	737,985
Investment return, net	9,844	4,842
Rental revenue	12,000	12,000
Other revenue	2,268	15,232
Releases from restrictions	<u>115,789</u>	<u>11,931</u>
Total revenue, gains, and other support	6,403,516	5,669,084
Expenses and losses:		
Program services:		
Recovery	2,108,385	1,659,376
Thrift store	523,690	501,223
Shelter and homeless services	<u>1,671,610</u>	<u>1,456,933</u>
Total program services	<u>4,303,685</u>	<u>3,617,532</u>
Supporting services:		
Management and general	729,296	690,735
Fundraising	<u>1,036,721</u>	<u>1,115,833</u>
Total expenses and losses	<u>6,069,702</u>	<u>5,424,100</u>
Change in net assets without donor restrictions	<u>333,814</u>	<u>244,984</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	1,411,224	686,662
Releases from restrictions	<u>(115,789)</u>	<u>(11,931)</u>
Change in net assets with donor restrictions	<u>1,295,435</u>	<u>674,731</u>
<b>CHANGE IN NET ASSETS</b>	<u>1,629,249</u>	<u>919,715</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>9,388,370</u>	<u>8,468,655</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 11,017,619</u></u>	<u><u>\$ 9,388,370</u></u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	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	\$ 713,343	\$ 200,076	\$ 621,156	\$ 424,242	\$ 239,998	\$ -	\$ 2,198,815
Employee benefits	56,954	15,974	49,593	33,872	19,161	-	175,554
Advertising	-	-	-	-	647,582	-	647,582
Bank and merchant fees	-	2,714	-	6,335	19,484	-	28,533
Depreciation and amortization	110,667	64,493	88,277	7,473	7,919	-	278,829
Dues and subscriptions	3,733	1,047	3,250	2,220	1,256	-	11,506
Equipment rental	19,419	11,317	15,490	1,311	1,390	-	48,927
Food commodities	263,736	-	535,463	-	-	-	799,199
Insurance	31,358	18,275	25,014	2,117	2,244	-	79,008
Interest	-	-	-	26,418	-	-	26,418
Maintenance	87,242	50,842	69,592	5,890	6,243	-	219,809
Meals	2,680	752	2,332	1,594	902	-	8,260
Office supplies	21,360	12,448	17,038	1,442	1,528	-	53,816
Postage and shipping	34,497	9,676	30,039	20,516	11,605	-	106,333
Professional fees	87,484	28,722	75,167	172,689	63,475	-	427,537
Supplies	502,410	9,555	-	-	-	26,614	538,579
Property taxes	-	-	-	6,991	-	-	6,991
Training	10,955	3,072	9,539	6,515	3,686	-	33,767
Transportation	19,325	11,262	15,414	-	-	-	46,001
Utilities	143,222	83,465	114,246	9,671	10,248	-	360,852
Venue	-	-	-	-	-	21,781	21,781
	<u>\$ 2,108,385</u>	<u>\$ 523,690</u>	<u>\$ 1,671,610</u>	<u>\$ 729,296</u>	<u>\$ 1,036,721</u>	48,395	6,118,097
Less: direct benefits to donors						(48,395)	(48,395)
						<u>\$ -</u>	<u>\$ 6,069,702</u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	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	\$ 586,165	\$ 217,764	\$ 499,889	\$ 401,372	\$ 269,095	\$ -	\$ 1,974,285
Employee benefits	45,989	17,085	39,220	31,491	21,113	-	154,898
Advertising	-	-	-	-	633,276	-	633,276
Bank and merchant fees	-	2,854	-	10,198	11,936	-	24,988
Depreciation and amortization	105,712	61,605	84,324	7,138	7,564	-	266,343
Dues and subscriptions	2,889	1,073	2,464	1,978	1,327	-	9,731
Equipment rental	5,501	3,206	4,388	371	393	-	13,859
Food commodities	263,893	-	535,782	-	-	-	799,675
Insurance	26,958	15,710	21,504	1,820	1,930	-	67,922
Interest	-	-	-	26,362	-	-	26,362
Maintenance	71,592	41,722	57,108	4,834	5,123	-	180,379
Meals	1,538	571	1,311	1,053	706	-	5,179
Office supplies	21,036	12,259	16,780	1,420	1,505	-	53,000
Postage and shipping	31,000	11,517	26,437	21,227	14,231	-	104,412
Professional fees	49,416	18,358	42,144	160,915	134,000	-	404,833
Supplies	290,946	8,274	-	-	-	24,247	323,467
Property taxes	-	-	-	5,169	-	-	5,169
Training	10,027	3,725	8,551	6,866	4,604	-	33,773
Transportation	20,514	11,955	16,364	-	-	-	48,833
Utilities	126,200	73,545	100,667	8,521	9,030	-	317,963
Venue	-	-	-	-	-	20,050	20,050
	<u>\$ 1,659,376</u>	<u>\$ 501,223</u>	<u>\$ 1,456,933</u>	<u>\$ 690,735</u>	<u>\$ 1,115,833</u>	44,297	5,468,397
Less: direct benefits to donors						(44,297)	(44,297)
						<u>\$ -</u>	<u>\$ 5,424,100</u>

See notes to financial statements



**LAS VEGAS RESCUE MISSION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in in net assets	\$ 1,629,249	\$ 919,715
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	278,829	260,131
Amortization of finance right-of-use asset	9,999	6,212
Amortization of operating right-of-use asset (lease expense)	8,011	1,305
Donated property and equipment	(37,500)	-
Unrealized loss on investments	1,280	131
(Increase) decrease in operating assets:		
Accounts receivable	(12,154)	(3,867)
Unconditional promises to give	(48,550)	(6,500)
Grants receivable	(9,319)	(112,731)
Prepaid expenses	36,248	(50,794)
Other current assets	(4,343)	(1,537)
Increase (decrease) in operating liabilities:		
Accounts payable	26,115	2,064
Accrued liabilities	10,867	13,029
Operating lease liability	(8,011)	(1,305)
Funds held for others	4,394	(5,222)
Deferred revenue	24,500	(33,525)
Net cash provided by operating activities	<u>1,909,615</u>	<u>987,106</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(857,741)</u>	<u>(76,159)</u>
Net cash used in investing activities	<u>(857,741)</u>	<u>(76,159)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on finance lease obligations	<u>(11,499)</u>	<u>(7,603)</u>
Net cash used in financing activities	<u>(11,499)</u>	<u>(7,603)</u>
<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	1,040,375	903,344
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<u>5,448,525</u>	<u>4,545,181</u>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 6,488,900</u></u>	<u><u>\$ 5,448,525</u></u>
<b>SUMMARY OF CASH ACCOUNTS</b>		
Cash and equivalents	\$ 4,166,653	\$ 3,744,309
Cash and equivalents, restricted, current	1,070,912	197,714
Cash and equivalents, restricted, noncurrent	<u>1,251,335</u>	<u>1,506,502</u>
	<u><u>\$ 6,488,900</u></u>	<u><u>\$ 5,448,525</u></u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

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	<u>2024</u>	<u>2023</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	<u>\$ 26,418</u>	<u>\$ 26,362</u>
Finance lease ROU assets obtained from finance lease liabilities	<u>\$ -</u>	<u>\$ 34,381</u>
Operating lease ROU assets obtained from operating lease liabilities	<u>\$ -</u>	<u>\$ 24,827</u>

See notes to financial statements

**LAS VEGAS RESCUE MISSION  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

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

*Nature of Activities*

Las Vegas Rescue Mission (Organization or 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 12 for discussion of significant estimates.

*Reclassifications*

Certain reclassifications have been made to the 2023 presentation to be comparative to the 2024 presentation.

*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  
YEARS ENDED JUNE 30, 2024 AND 2023**

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

*Accounts Receivable*

The Mission's accounts receivable are derived from revenues generated from various sources to include program income, event receipts, and product sales. Management reviews accounts receivable at least annual basis and recognizes an expected allowance for credit losses based on a review of the Organization's historical collections and considers other factors such as overall economic conditions in determining the percentage of receivables that are expected to not be collected. As of June 30, 2024 and 2023, no allowance is recorded and all amounts are expected to be received within one year.

*Unconditional Promises to Give*

Unconditional promises to give are derived from general contributions or those received at special events. Unconditional promises to give at June 30, 2024 and 2023 are considered fully collectible, unconditional, and due within one year. Accordingly, no discount or allowance has been recognized.

*Grants Receivable*

Grants receivable represent funds to be reimbursed to the Mission for incurring expenses considered allowable under grant agreements. The Mission expects to collect all grants receivable in full in less than one year. Accordingly, no discount or allowance has been recorded.

*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 estimated 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	5-8 Years
Furniture, fixtures, and equipment	5-7 Years
Buildings and improvements	5-39 Years

When assets are retired or otherwise disposed of, 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.

*Leases*

The Mission leases office equipment and machinery for which a determination of whether an arrangement is a lease is made at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the statement of financial position. Finance leases are included in finance lease ROU assets and finance lease liabilities on the statement of financial position. ROU assets represent the Mission's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease.

**LAS VEGAS RESCUE MISSION  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

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

Operating and finance lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Mission's leases do not provide an implicit rate, a risk-free rate is used based on the information available at the commencement date in determining the present value of lease payments. The operating and finance ROU assets also include any lease payments made and exclude lease incentives. The Mission's lease terms may include options to extend or terminate a lease when it is reasonably certain that the Mission will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Mission's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

*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 sponsorships or fees received in advance are included in deferred revenue in the statement of financial position. These amounts are expected to be recognized within one year.

*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.

*Program Revenue*

Program revenues include lodging and meal services. The Mission provides emergency shelter and extended stay lodging. The Mission also provides daily meals through their dining hall. Revenue consists mostly of payments from Medicaid and SNAP benefit programs and is recognized in the monthly period during which the lodging and meals are provided.

*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.

**LAS VEGAS RESCUE MISSION  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

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

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.

*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 based on 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.

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 based on an estimate of employee time and effort: wages and payroll taxes, employee benefits, dues and subscriptions, meals, and training.

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

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

*Date of Management's Review*

Subsequent events have been evaluated through January 30, 2025, which is the date the financial statements were available to be issued.

*Recently Adopted Accounting Guidance*

In June 2016, the FASB issued guidance FASB ASC Topic 326, *Financial Instruments – Credit losses: Measurement of Credit Losses on Financial Instruments* (ASU 2016-13) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable. The Organization adopted this standard effective July 1, 2023. There was no material impact to the Organization's financial statements as a result of adoption.

**LAS VEGAS RESCUE MISSION  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

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

The Mission is substantially supported by contribution revenue, program revenue, 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 9.

The following table reflects the Mission's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

	<u>2024</u>	<u>2023</u>
Cash and equivalents	\$ 6,488,900	\$ 5,448,525
Investments	13,943	15,223
Accounts receivable	74,101	61,947
Unconditional promises to give	141,050	92,500
Grants receivable	127,114	117,795
Other current assets	<u>7,649</u>	<u>3,306</u>
Total financial assets	<u>6,852,757</u>	<u>5,739,296</u>
Less amounts unavailable for general expenditures within one year, due to:		
Funds held on behalf of others	6,789	2,395
Restricted by donors for long-term purposes	<u>1,251,335</u>	<u>1,506,502</u>
Total amounts unavailable for general expenditures within one year	<u>1,258,124</u>	<u>1,508,897</u>
Total for general expenditures within one year	<u>\$ 5,594,633</u>	<u>\$ 4,230,399</u>

**NOTE 3. FUNDS HELD FOR OTHERS**

As of June 30, 2024 and 2023, 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**

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. The Mission has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

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**NOTE 4. CONCENTRATIONS**

As of the year ended June 30, 2024, 89% of total pledges receivable were due from one donor. For the year ended June 30, 2023, 81% of total pledges receivable were due from one donor.

**NOTE 5. RELATED PARTIES**

The Organization's Board of Directors members are active in the oversight of the Organization. Contributions received from the Board of Directors members or companies in which a Board member had significant influence were \$1,022,145 and \$920,265 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 6. INVESTMENTS AND FAIR VALUE**

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) (NAV). 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.

For the fiscal years ending June 30, 2024 and 2023, 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>Measured at NAV</u>	<u>2024 Total</u>
REIT Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,943</u>	<u>\$ 13,943</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Measured at NAV</u>	<u>2023 Total</u>
REIT Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,223</u>	<u>\$ 15,223</u>



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**NOTE 7. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Buildings and improvements	\$ 8,473,371	\$ 8,470,616
Land	343,757	343,757
Vehicles	403,705	199,279
Furniture, fixtures, and equipment	1,113,933	1,092,227
Construction in progress	666,354	-
Website and software	<u>31,252</u>	<u>31,252</u>
	11,032,372	10,137,131
Less: accumulated depreciation	<u>5,141,825</u>	<u>4,862,996</u>
	<u>\$ 5,890,547</u>	<u>\$ 5,274,135</u>

**NOTE 8. 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 at the expiration of the fifteen year retention period from the date construction was completed. As construction completed on April 12, 2011 and the expiration of the retention period is April 12, 2026. 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, 2024, and 2023, the Mission was in compliance with all such covenants.

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, payable in monthly installments of \$641, commencing 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.

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 commenced 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.

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**NOTE 8. NOTES PAYABLE**

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

2025	\$ 9,811
2026	1,013,157
2027	13,523
2028	13,900
2029	14,287
Thereafter	<u>435,322</u>
	<u>\$ 1,500,000</u>

**NOTE 9. LINE OF CREDIT**

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, 2024 and 2023, this line of credit had a maturity date of November 30, 2025, an interest rate of 6%, and a balance of \$0.

**NOTE 10. OPERATING LEASES**

In May 2023, the Mission entered into an operating lease agreement for a dishwasher which expires in April 2026. Monthly payments of \$729 are required under this lease. The remaining lease term for the operating lease is 34 months and the discount rate is 3.85% at June 30, 2024. Operating lease cost for this lease was \$9,485 and \$1,611 for the years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024, future minimum operating lease payments were as follows:

2025	\$ 8,747
2026	<u>7,291</u>
Total minimum lease payments	16,038
Less: imputed interest	<u>527</u>
Total operating lease liabilities	<u>\$ 15,511</u>

**NOTE 11. FINANCE LEASES**

In August 2018, the Mission entered into a finance lease agreement for a copier which expired in November 2023. Monthly payments of \$1,052 were required under this lease.

In April 2022, the Mission entered into a finance lease agreement for a copier which expires in July 2027. Monthly payments of \$514 are required under this lease.

In May 2023, the Mission entered into a finance lease agreement for a copier which expires in April 2028. Monthly payments of \$626 are required under this lease.

The weighted average remaining lease term for the Mission's finance leases was 44 months and the weighted average discount rate was 17.92% at June 30, 2024. Components of finance lease cost included amortization on finance lease ROU assets of \$8,696 and interest on finance lease liabilities of \$6,677 for the year ended June 30, 2024. Components of finance lease cost included amortization on finance lease ROU assets of \$6,212 and interest on finance liabilities of \$11,958 for the year ended June 30, 2023.

**LAS VEGAS RESCUE MISSION  
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**NOTE 11. FINANCE LEASES**

As of June 30, 2024, future minimum finance lease payments were as follows:

2025	\$	13,671
2026		13,671
2027		13,671
2028		<u>6,852</u>
Total minimum lease payments		47,865
Less: imputed interest		<u>12,849</u>
Total finance lease liabilities	\$	<u><u>35,016</u></u>

**NOTE 12. 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.

**NOTE 13. NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2024</u>	<u>2023</u>
Capital campaign	\$ 1,654,245	\$ 1,255,775
Women and children	900,000	-
Shelter of Hope	225,944	227,342
Recovery program	63,834	-
Women's scholarships	48,000	48,000
Father's Haven	32,202	42,174
Toy drive	25,881	31,429
Baby essentials	625	1,111
Shelter and homeless	370	-
Transportation	-	75,000
Vehicle purchase	-	20,000
Men's recovery dorm	-	3,385
Time restricted	<u>141,050</u>	<u>92,500</u>
	<u>\$ 3,092,151</u>	<u>\$ 1,796,716</u>

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

	<u>2024</u>	<u>2023</u>
Cash and equivalents, current	\$ 1,070,912	\$ 197,714
Cash and equivalents, long-term	1,251,335	1,506,502
Property and equipment	628,854	-
Unconditional promises to give	<u>141,050</u>	<u>92,500</u>
	<u>\$ 3,902,151</u>	<u>\$ 1,796,716</u>

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**NOTE 13. NET ASSETS WITH DONOR RESTRICTIONS**

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>2024</u>	<u>2023</u>
Transportation	\$ 75,000	\$ -
Vehicle purchase	20,000	-
Father's Haven	9,972	6,827
Toy drive	5,548	-
Men's recovery dorm	3,385	1,587
Shelter of Hope	1,398	1,478
Baby essentials	486	-
Recovery Program	-	1,869
Blankets	-	170
	<u>\$ 115,789</u>	<u>\$ 11,931</u>

**NOTE 14. 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, 2024:

<u>Category</u>	<u>Usage</u>	<u>Total</u>
Donated food	Distributed to shelter clients	\$ 599,962
Donated goods	Advertising	102,280
Donated services	Maintenance and construction design	39,300
		<u>\$ 741,542</u>

The Organization's in-kind contributions consisted of the following during the year ended June 30, 2023:

<u>Category</u>	<u>Usage</u>	<u>Total</u>
Donated food	Distributed to shelter clients	\$ 645,141
Donated goods	Advertising	88,244
Donated services	Maintenance	4,600
		<u>\$ 737,985</u>

Food was donated for use in the Mission's dining hall and values were estimated based on the estimated fair value of that food. Donated advertising was utilized for the Organization's program events and general advertising and values were estimated based on the costs charged by the donor for similar advertising products. Donated maintenance was utilized to clean the hoods in the dining hall kitchen and values were estimated based on the costs charged by the donor for similar cleaning services. Donated construction design was utilized for designing the new building and values were estimated based on the costs charged by the donor for similar projects.