



Financial Statements

(With Supplementary Financial Information)

**For the Year Ended
December 31, 2014**

SK

SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

City Rescue Mission of Saginaw, Inc.

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SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

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A VETERAN OWNED BUSINESS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
City Rescue Mission of Saginaw, Inc.

We have audited the accompanying financial statements of the *City Rescue Mission of Saginaw, Inc.* (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, 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 the *City Rescue Mission of Saginaw, Inc.* as of December 31, 2014, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The individual statements by fund on pages 15-17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Smith + Klaczynski PC

Saginaw, Michigan
April 29, 2015

City Rescue Mission of Saginaw, Inc.
Statement of Financial Position
December 31, 2014

<u>Assets</u>	<u>Unrestricted</u>	<u>Permanently Restricted Fund</u>	<u>Total</u>
Current assets			
Cash	\$ 714,591	\$ -	\$ 714,591
Investments	130,522	-	130,522
Accounts receivable	149,747	-	149,747
Pledge receivable	130,200	-	130,200
Other receivables (land contract)	2,345	-	2,345
Prepaid expense	17,677	-	17,677
Inventory	855	-	855
Total current assets	<u>1,145,937</u>	<u>-</u>	<u>1,145,937</u>
Noncurrent assets			
Other assets	9,492	-	9,492
Endowment investments	-	481,875	481,875
Capital assets	8,115,099	-	8,115,099
Less: accumulated depreciation	(4,068,295)	-	(4,068,295)
Total noncurrent assets	<u>4,056,296</u>	<u>481,875</u>	<u>4,538,171</u>
Total Assets	<u>\$ 5,202,233</u>	<u>\$ 481,875</u>	<u>\$ 5,684,108</u>
<u>Liabilities and Net Assets</u>			
Current liabilities			
Accounts payable	\$ 125,494	\$ -	\$ 125,494
Accrued expenses	63,064	-	63,064
Resident advance payments	1,070	-	1,070
Line of credit	300,583	-	300,583
Notes payable, current	45,835	-	45,835
Total current liabilities	<u>536,046</u>	<u>-</u>	<u>536,046</u>
Noncurrent liabilities			
Accrued compensated absences	32,549	-	32,549
Notes payable	438,461	-	438,461
Total noncurrent liabilities	<u>471,010</u>	<u>-</u>	<u>471,010</u>
Total liabilities	1,007,056	-	1,007,056
Net Assets	4,195,177	481,875	4,677,052
Total Liabilities and Net Assets	<u>\$ 5,202,233</u>	<u>\$ 481,875</u>	<u>\$ 5,684,108</u>

The accompanying notes are an integral part of these financial statements.

City Rescue Mission of Saginaw, Inc.
Statement of Activities
For the Year Ended December 31, 2014

	Unrestricted	Permanently Restricted Fund	Total
Public support and revenue			
Public support			
Contributions	\$ 2,687,570	\$ -	\$ 2,687,570
Special events	150,779	-	150,779
Donated materials	644,350	-	644,350
Legacies and bequests	403,285	-	403,285
Total public support	<u>3,885,984</u>	<u>-</u>	<u>3,885,984</u>
Grant from governmental agency	<u>406,540</u>	<u>-</u>	<u>406,540</u>
Revenue			
Program service fees	1,184,020	-	1,184,020
Investment income (loss)	29,313	-	29,313
Miscellaneous	42,063	-	42,063
Rent from investment property, net of direct costs	14,445	-	14,445
Total revenue	<u>1,269,841</u>	<u>-</u>	<u>1,269,841</u>
Total public support and revenue	<u>5,562,365</u>	<u>-</u>	<u>5,562,365</u>
Expenses			
Program services			
Transient men	365,859	-	365,859
Program men	518,896	-	518,896
Women / Family Enrichment	743,442	-	743,442
Community Village	1,457,495	-	1,457,495
Good Samaritan Mission	1,139,703	-	1,139,703
Total program services	<u>4,225,395</u>	<u>-</u>	<u>4,225,395</u>
Supporting services			
Management and general	289,401	-	289,401
Fundraising	204,789	-	204,789
Total supporting services	<u>494,190</u>	<u>-</u>	<u>494,190</u>
Total expenses	<u>4,719,585</u>	<u>-</u>	<u>4,719,585</u>
Other changes in net assets			
Change in beneficial interest in assets held by foundation (see Note 13)	-	(11,993)	(11,993)
Change in Net Assets	<u>842,780</u>	<u>(11,993)</u>	<u>830,787</u>
Net Assets, Beginning as restated	<u>3,352,397</u>	<u>493,868</u>	<u>3,846,265</u>
Net Assets, Ending	<u>\$ 4,195,177</u>	<u>\$ 481,875</u>	<u>\$ 4,677,052</u>

The accompanying notes are an integral part of these financial statements.

City Rescue Mission of Saginaw, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2014

	Program Services					Total
	Transient Men	Program Men	Women / Family Enrichment	Community Village	Good Samaritan Mission	
Salaries	\$ 128,256	\$ 134,586	\$ 306,571	\$ 704,049	\$ 378,101	\$ 1,651,563
Fringe benefits	26,386	27,688	63,071	116,145	53,245	286,535
Payroll taxes	9,929	10,419	23,733	65,013	26,951	136,045
Total salaries and related expense	164,571	172,693	393,375	885,207	458,297	2,074,143
Professional services	5,748	5,748	5,748	46,202	-	63,446
Thrift store	432	821	778	-	-	2,031
Building maintenance	6,241	6,549	14,917	25,638	17,133	70,478
Client services	3,424	3,424	3,528	3,279	2,188	15,843
Development and public education	38,299	72,767	68,937	4,237	71,721	255,961
Bad debt	-	-	-	36,666	-	36,666
Dues	160	2,879	960	6,575	943	11,517
Food	7,814	7,814	7,355	105,864	30,934	159,781
Insurance	3,124	3,124	3,124	51,021	13,047	73,440
Interest	1,377	1,377	1,305	50	2,125	6,234
Miscellaneous	5,249	5,249	6,998	22,390	10,441	50,327
Office supplies	1,724	1,724	1,724	7,653	3,871	16,696
Operating supplies	3,919	4,479	4,479	31,536	4,843	49,256
Donated clothing and furnishings	55,359	105,182	99,647	31,390	336,164	627,742
Postage	4,675	4,675	4,675	2,147	(2,845)	13,327
Staff training	1,417	1,417	1,460	-	-	4,294
Telephone	2,320	2,320	2,320	11,621	4,837	23,418
Utilities	11,956	26,671	36,788	127,098	97,997	300,510
Vehicle operations	4,370	8,303	7,866	3,112	2,165	25,816
Rent	1,148	1,148	1,148	-	-	3,444
Special events	312	312	312	35	16,660	17,631
Mortgage interest	4,378	8,319	7,881	-	-	20,578
Other capital costs	6,111	11,611	11,000	-	10,710	39,432
Total expenses before depreciation	334,128	458,606	686,325	1,401,721	1,081,231	3,962,011
Depreciation	31,731	60,290	57,117	55,774	58,472	263,384
Total expenses	<u>\$ 365,859</u>	<u>\$ 518,896</u>	<u>\$ 743,442</u>	<u>\$ 1,457,495</u>	<u>\$ 1,139,703</u>	<u>\$ 4,225,395</u>

The accompanying notes are an integral part of these financial statements.

Supporting Services

Management and General	Fundraising	Total	Total
\$ 182,393	\$ 86,806	\$ 269,199	\$ 1,920,762
37,524	17,859	55,383	341,918
14,120	6,720	20,840	156,885
234,037	111,385	345,422	2,419,565
-	1,916	1,916	65,362
65	65	130	2,161
8,875	4,224	13,099	83,577
-	-	-	15,843
5,745	5,745	11,490	267,451
-	-	-	36,666
-	-	-	11,517
2,298	20,685	22,983	182,764
-	19,029	19,029	92,469
1,087	2,102	3,189	9,423
-	-	-	50,327
690	1,035	1,725	18,421
5,412	373	5,785	55,041
8,304	8,304	16,608	644,350
4,675	4,675	9,350	22,677
-	-	-	4,294
928	1,392	2,320	25,738
8,277	8,277	16,554	317,064
655	655	1,310	27,126
459	689	1,148	4,592
1,560	7,904	9,464	27,095
657	657	1,314	21,892
917	917	1,834	41,266
284,641	200,029	484,670	4,446,681
4,760	4,760	9,520	272,904
<u>\$ 289,401</u>	<u>\$ 204,789</u>	<u>\$ 484,670</u>	<u>\$ 4,719,585</u>

City Rescue Mission of Saginaw, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2014

	Unrestricted
Net cash flows from operating activities	
Change in net assets	\$ 842,780
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	272,904
(Increase) decrease in:	
Receivables	110,779
Prepaid expenses	(7,271)
Intra-program receivables	20,598
Increase (decrease) in:	
Accounts payable	(66,910)
Accrued expenses	(16,721)
Resident advance payments	(1,093)
Intra-program payables	(20,598)
Net cash provided by (used in) operating activities	1,134,468
 Cash flows from capital and related financing activities	
Purchases of property and equipment	(1,132,089)
 Cash flows from investing activities	
Sale of investments	1,425
 Cash flows from financing activities	
Proceeds from line of credit	686,796
Principal paid on line of credit	(386,213)
Principal paid on note payable	(43,627)
Net cash provided by (used in) financing activities	256,956
 Net increase (decrease) in cash	260,760
 Cash, beginning of period	453,831
 Cash, end of period	\$ 714,591
 Supplemental cash flow information	
Interest paid during year	\$ 21,892

The accompanying notes are an integral part of these financial statements.

City Rescue Mission of Saginaw, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies

The financial statements of the *City Rescue Mission of Saginaw, Inc.* (the “Mission”) have been prepared on the accrual basis of accounting. The Mission’s significant accounting policies are described below to enhance the usefulness of the financial statements to the readers.

Purpose and Tax Status

The *City Rescue Mission of Saginaw, Inc.* is a Michigan non-profit corporation whose purpose is to assist, encourage and promote the well being of mankind. This is accomplished by providing food, shelter and instruction for homeless men, women and children at the Rescue Mission, the Good Samaritan Mission and housing for the elderly at Community Village. The Mission is exempt from Federal income taxes under Section 501(c)3 of the Internal Revenue Code.

The Mission has evaluated the provision of ASC Topic 740, *Accounting for Uncertainty in Income Taxes*. The evaluation was performed for the years 2011 through 2014, the years which remain subject to examination by major tax jurisdiction as of year end. The Mission concluded that there are no significant uncertain tax positions requiring recognition in the organization’s financial statements. The Mission does not expect the total amount of unrecognized tax benefits (“UTB”) (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly increase or decrease in the next twelve months. The Mission does not have any amounts accrued for interest and penalties related to UTBs at year end, and it is not aware of any claims for such amounts by federal or state income tax authorities.

Fund Accounting

The financial activities of the Mission are accounted for in separate funds, described as follows:

Operating Funds - The operating funds include unrestricted resources, which represent the portion of expendable funds that is available for support of the operations of Rescue Mission, Community Village and Good Samaritan Mission.

Endowment Funds – The endowment fund consists of City Rescue Mission and Community Village monies that have been allocated in accordance with the resolution made by the Board of Directors of the *City Rescue Mission of Saginaw, Inc.* dated February 20, 1989. The resolution policy is to preserve principal and expend income in the interest of the welfare of the homeless and the *City Rescue Mission of Saginaw, Inc.* In the event of an emergency, the Board of Directors has the authority to expend the principal.

Cash

The Mission considers all cash on hand and deposits (savings and checking accounts) as cash for purposes of the Statement of Cash Flows.

Concentration of Credit Risk

The Mission maintains its cash in bank deposit accounts, which at times may exceed federally insured limits.

City Rescue Mission of Saginaw, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2014

Estimates

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

Donated Facilities, Services, and Materials

The Mission received donated services from a variety of unpaid volunteers during the year. A dollar valuation of their efforts is not reflected in the financial statements since such services do not meet the criteria for recognition.

The Mission received donated materials, such as food, clothing and furniture that meet recognition requirements during the year. The Mission recognized \$644,350 as the estimated value of these materials in the accompanying financial statements, with a like amount included as other program expenses. The Mission recognizes these donated materials as contributions based upon their estimated fair value on the date received.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the Statement of Financial Position. Investment income (which includes realized and unrealized gains and losses on investments, interest, dividends, and fees) is included in the change in unrestricted net assets unless the income or loss is restricted by donor or law.

Promise to Give

Contributions are recognized when the donor makes a promise to give to the Mission that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Mission recognizes promises to give at fair value, discounted at various rates ranging from 5-10%.

Inventory

Inventory consists of property that is held for sale. Donated property is stated at State Equalized Value for the 2014 tax year.

Compensated Absences

It is the Mission's policy to permit employees to accumulate a limited amount of earned but unused vacation days. Employees are allowed to accumulate a maximum of 160 hours of annual vacation to which he/she is entitled. Upon separation from the Mission, employees will be paid their balance of unused vacation days.

City Rescue Mission of Saginaw, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2014

Functional Expenses

The Rescue Mission Fund allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly. Expenses that are common to several functions are allocated by various statistical bases.

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2014, the most recent statement of financial position presented herein, through the April 21, 2105, the date these financial statement were available to be issued. No significant such events or transactions were identified.

Note 2 – Restrictions on Net Assets

Temporarily Restricted

Temporary restrictions are donor-imposed restrictions that require the Mission to expend the contributions as specified by the donor. Temporary restrictions are satisfied by either the passage of time or by actions of the Mission to satisfy those restrictions. At year-end, the Mission did not hold temporarily restricted net assets.

Permanently Restricted

The Mission has an economic interest in an endowment fund (as defined by ASC Topic 958-20) at the Saginaw Community Foundation and the Bay Area Foundation, separate nonprofit corporations. An economic interest exists because the endowment fund was established for the purpose of providing support exclusively to the Mission. The Saginaw Community Foundation and the Bay Area Foundation are governed by independent governing Boards which controls the investments of the endowment funds. The balance of the funds at year-end was \$481,875.

Note 3 – Fair Value Measurements

U.S. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

In addition to defining fair value, U.S. GAAP establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities, and the lowest priority to unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 - inputs are unadjusted quoted market prices in active markets for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - inputs to the valuation methodology include:

- a. quoted prices for similar assets and liabilities in active markets

City Rescue Mission of Saginaw, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2014

- b. quoted prices for identical or similar assets and liabilities in markets that are not active
- c. other inputs that are observable or can be corroborated by observable market data
- d. inputs that are derived from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs are generally unobservable and significant to the fair value measurement. Such inputs typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability, including certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The investments accounted for in the endowment fund are stated at fair value (Level 1). There have been no changes in the methodologies used at December 31, 2014 and December 31, 2013.

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

The following table sets forth, by level, the Organization's investments at year-end:

	Level 1
Cash and equivalents:	
Money markets	\$ 6,225
Fixed income:	
Mutual Fund-Fixed Income	56,365
Equities	
Mutual Fund-Equity	67,932
Total	\$ 130,522

Note 4 – Pledges Receivable

City Rescue Mission Fund:

The pledges receivable are unconditional and the balances recorded at year-end consist of the following:

Gross balance	\$ 169,570
Less:	
Allowance for uncollectible receivables	(42,392)
Net receivable balance	\$ 127,178

City Rescue Mission of Saginaw, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2014

Good Samaritan Mission Fund:

The pledges receivable balance is related to the Good Samaritan Mission Campaign and the day to day operations of the Mission.

Gross balance	\$ 4,030
Less:	
Allowance for uncollectible receivables	<u>(1,008)</u>
Net receivable balance	<u>\$ 3,022</u>

Note 5 – Capital Assets

Capital assets are recorded at cost or fair market value at the time they are donated. Expenditures for new acquisitions, renewal and betterments, which increase productive capacity or prolong service lives of the property and equipment, are capitalized. Maintenance and repairs, which do not enhance the value or extend the useful life, are expensed as incurred. Depreciation is calculated on the straight-line basis over the estimated useful lives of the respective assets, which range from five to thirty-one years.

Capital assets of the Rescue Mission Fund consisted of the following at year-end:

Land	\$ 57,936	
Buildings	4,154,700	31 years
Equipment and furniture	718,208	5-10 years
Vehicles	<u>87,646</u>	5 years
Total Cost	5,018,490	
Less: accumulated depreciation	<u>(2,374,147)</u>	
Net book value	<u>\$ 2,644,343</u>	

Capital assets of the Community Village Fund consisted of the following at year-end:

Buildings	\$ 1,331,875	31 years
Equipment and furniture	403,659	5-10 years
Vehicles	<u>31,473</u>	5 years
Total Cost	1,767,007	
Less: accumulated depreciation	<u>(1,219,336)</u>	
Net book value	<u>\$ 547,671</u>	

Capital assets of the Good Samaritan Mission Fund consisted of the following at year-end:

Buildings	\$ 873,150	31 years
Equipment and furniture	423,497	5-10 years
Vehicles	<u>32,955</u>	5 years
Total Cost	1,329,602	
Less: accumulated depreciation	<u>(474,812)</u>	
Net book value	<u>\$ 854,790</u>	

Depreciation expense was charged to the following funds during the year:

City Rescue Mission of Saginaw, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2014

Rescue Mission Fund	\$ 158,657
Community Village Fund	55,774
Good Samaritan Mission Fund	<u>58,473</u>
Total	<u>\$ 272,904</u>

Note 6 – Notes Payable

At year-end, notes payable consisted of a consolidated mortgage payable to PNC bank. The terms of the mortgage consist of monthly payments of \$5,460 with interest rate of 4.25%. Mortgage interest expense for the year was \$55,299.

Future principal requirements on the note payable are as follows:

<u>Year</u> <u>Ending</u>	<u>Principal</u> <u>Requirements</u>
2015	\$ 45,835
2016	47,821
2017	49,893
2018	52,056
2019	54,312
2019-2023	<u>234,379</u>
Total	<u>\$ 484,296</u>

Note 7 – Tax Sheltered Annuity Plan

During 1989, the Mission adopted a tax sheltered annuity plan administered through the Equitable Financial Companies to which the Mission will match employee contributions up to five percent (5%) of an employee's annual wages. The annuity is available to all employees at every level with at least one year of employment with the Mission as of the beginning of the year. The Mission made no contributions to the plan during the year.

Note 8 – Community Village – Custodial Accounts

Included in the net assets of the Operating Fund is the Community Village Activity Fund. At year-end, the Activity Fund had a balance of \$2,139. These funds are raised primarily through volunteer fund-raising efforts and are typically used for special events and activities for the residents at the Village. Included in resident advance payments of the Operating Fund is a Resident Fund with a balance of \$4,217. This account holds petty cash funds that the residents keep at the Village.

City Rescue Mission of Saginaw, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2014

Note 9 – Related Party

The Saginaw Shelter for the Homeless, Inc. is a non-profit Michigan corporation whose purpose is to provide financial assistance to homeless shelters and individuals. The Shelter is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Board members, management and accounting personnel of the Saginaw Shelter for the Homeless, Inc. are provided by the City Rescue Mission of Saginaw, Inc. and all accounting records are maintained at the Rescue Mission. While the Shelter's Board members are not appointed by the Mission, there is oversight of and economic interest in the Shelter.

Note 10 – Allocation of Joint Costs

During the year, the Mission conducted activities that included requests for contributions, as well as program and management and general components. Those activities included direct mail campaigns and special events. The costs of conducting those activities included a total of \$1,911,281 of joint costs, which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated by various statistical bases as follows:

Program services	\$ 1,429,759
Fundraising	198,455
Management and general	<u>283,067</u>
Total	<u>\$ 1,911,281</u>

Note 11 – Revolving Line of Credit

The Mission has a \$150,000 revolving line of credit with a local financial institution. Advances on the credit line are payable on demand and carry an interest rate of 4.25%. The outstanding balance at year-end was \$0.

Note 12 – Construction Line of Credit

During the year, the Mission obtained a construction line of credit with a local financial institution. Advances on the construction line of credit are payable on demand and carry an interest rate of 4.25%. The outstanding balance at year-end was \$300,583.

City Rescue Mission of Saginaw, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2014

Note 13 – Endowment Funds

The Mission has established endowment funds at the Saginaw Community Foundation and the Bay Area Community Foundation. The balance of these funds at year-end was \$466,558 and \$15,317 respectively. These assets are reported as restricted net assets on the financial statements of the Mission. Activity in the endowment funds was as follows:

	<u>Saginaw Community Foundation</u>	<u>Bay Area Community Foundation</u>
Balance, beginning	\$ 478,584	\$ 15,284
Contributions	787	-
Investment gain (loss)	5,736	448
Interest and dividends	7,470	257
Grants	(21,308)	(164)
Administrative fees	(4,711)	(508)
Balance, ending	<u>\$ 466,558</u>	<u>\$ 15,317</u>



City Rescue Mission of Saginaw, Inc.
Statement of Financial Position - By Fund
December 31, 2014

	Unrestricted				
	Rescue Mission Funds		Community Village Funds		Good Samaritan Mission Fund
	Operating Fund	Endowment Fund	Operating Fund	Endowment Fund	Operating Fund
<u>Assets</u>					
Current assets					
Cash	\$ 522,635	\$ -	\$ 68,234	\$ -	\$ 123,722
Investments	-	130,522	-	-	-
Accounts receivable	73,207	-	41,081	-	35,459
Pledge receivable	127,178	-	-	-	3,022
Other receivables (land contract)	-	-	2,345	-	-
Prepaid expense	17,677	-	-	-	-
Inventory	855	-	-	-	-
Intra-program receivables	611,739	139,473	121,028	15,343	104,667
Total current assets	<u>1,353,291</u>	<u>269,995</u>	<u>232,688</u>	<u>15,343</u>	<u>266,870</u>
Noncurrent assets					
Other assets	9,492	-	-	-	-
Endowment investments	-	-	-	-	-
Capital assets	5,018,490	-	1,767,007	-	1,329,602
Less: accumulated depreciation	<u>(2,374,147)</u>	<u>-</u>	<u>(1,219,336)</u>	<u>-</u>	<u>(474,812)</u>
Total noncurrent assets	<u>2,653,835</u>	<u>-</u>	<u>547,671</u>	<u>-</u>	<u>854,790</u>
Total assets	<u>\$ 4,007,126</u>	<u>\$ 269,995</u>	<u>\$ 780,359</u>	<u>\$ 15,343</u>	<u>\$ 1,121,660</u>
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable	\$ 97,063	\$ -	\$ 20,026	\$ -	\$ 8,405
Accrued expenses	30,390	-	19,393	-	13,281
Resident advance payments	-	-	1,070	-	-
Intra-program payables	251,488	-	725,031	2,775	12,956
Line of credit	300,583	-	-	-	-
Notes payable, current	45,835	-	-	-	-
Total current liabilities	<u>725,359</u>	<u>-</u>	<u>765,520</u>	<u>2,775</u>	<u>34,642</u>
Noncurrent liabilities					
Accrued compensated absences	12,146	-	17,317	-	3,086
Notes payable	438,461	-	-	-	-
Total noncurrent liabilities	<u>450,607</u>	<u>-</u>	<u>17,317</u>	<u>-</u>	<u>3,086</u>
Total liabilities	1,175,966	-	782,837	2,775	37,728
Net assets (deficit)	2,831,160	269,995	(2,478)	12,568	1,083,932
Total Liabilities and Net Assets	<u>\$ 4,007,126</u>	<u>\$ 269,995</u>	<u>\$ 780,359</u>	<u>\$ 15,343</u>	<u>\$ 1,121,660</u>

Permanently Restricted Fund	Total
\$ -	\$ 714,591
-	130,522
-	149,747
-	130,200
-	2,345
-	17,677
-	855
-	992,250
-	2,138,187
-	9,492
481,875	481,875
-	8,115,099
-	(4,068,295)
481,875	4,538,171
\$ 481,875	\$ 6,676,358
\$ -	\$ 125,494
-	63,064
-	1,070
-	992,250
-	300,583
-	45,835
-	1,528,296
-	32,549
-	438,461
-	471,010
-	1,999,306
481,875	4,677,052
\$ 481,875	\$ 6,676,358

City Rescue Mission of Saginaw, Inc.
Statement of Activities - By Fund
For the Year Ended December 31, 2014

	Unrestricted				Good Samaritan Mission Fund
	Rescue Mission Funds		Community Village Funds		
	Operating Fund	Endowment Fund	Operating Fund	Endowment Fund	
Public support and revenue					
Public support					
Contributions	\$ 2,046,623	\$ -	\$ 54,592	\$ -	\$ 586,355
Special events	78,297	-	16,184	-	56,298
Donated materials	276,796	-	31,390	-	336,164
Legacies and bequests	174,335	-	28,950	-	200,000
Total public support	<u>2,576,051</u>	<u>-</u>	<u>131,116</u>	<u>-</u>	<u>1,178,817</u>
Grant from governmental agency	<u>280,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,355</u>
Revenue					
Program service fees	13,914	-	1,170,106	-	-
Investment income (loss)	29,313	-	-	-	-
Miscellaneous	32,686	-	3,860	-	5,517
Rent from investment property, net of direct costs	6,038	-	-	-	8,407
Total revenue	<u>81,951</u>	<u>-</u>	<u>1,173,966</u>	<u>-</u>	<u>13,924</u>
Total public support and revenue	<u>2,938,187</u>	<u>-</u>	<u>1,305,082</u>	<u>-</u>	<u>1,319,096</u>
Expenses					
Program services					
Transient men	365,859	-	-	-	-
Program men	518,896	-	-	-	-
Women / Family Enrichment	743,442	-	-	-	-
Community Village	-	-	1,457,495	-	-
Good Samaritan Mission	-	-	-	-	1,139,703
Total program services	<u>1,628,197</u>	<u>-</u>	<u>1,457,495</u>	<u>-</u>	<u>1,139,703</u>
Supporting services					
Management and general	289,401	-	-	-	-
Fundraising	204,789	-	-	-	-
Total supporting services	<u>494,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>2,122,387</u>	<u>-</u>	<u>1,457,495</u>	<u>-</u>	<u>1,139,703</u>
Other changes in net assets					
Change in beneficial interest in assets held by foundation (see Note 13)	-	-	-	-	-
Change in Net Assets	<u>815,800</u>	<u>-</u>	<u>(152,413)</u>	<u>-</u>	<u>179,393</u>
Net assets, beginning	<u>2,015,360</u>	<u>269,995</u>	<u>149,935</u>	<u>12,568</u>	<u>904,539</u>
Net assets (deficit), ending	<u>\$ 2,831,160</u>	<u>\$ 269,995</u>	<u>\$ (2,478)</u>	<u>\$ 12,568</u>	<u>\$ 1,083,932</u>

Permanently Restricted Fund	Total
\$ -	\$ 2,687,570
-	150,779
-	644,350
-	403,285
<u>-</u>	<u>3,885,984</u>
<u>-</u>	<u>406,540</u>
-	1,184,020
-	29,313
-	42,063
-	14,445
<u>-</u>	<u>1,269,841</u>
<u>-</u>	<u>5,562,365</u>
-	365,859
-	518,896
-	743,442
-	1,457,495
-	1,139,703
<u>-</u>	<u>4,225,395</u>
-	289,401
<u>-</u>	<u>204,789</u>
<u>-</u>	<u>494,190</u>
<u>-</u>	<u>4,719,585</u>
<u>(11,993)</u>	<u>(11,993)</u>
<u>(11,993)</u>	<u>830,787</u>
493,868	3,846,265
<u>\$ 481,875</u>	<u>\$ 4,677,052</u>

City Rescue Mission of Saginaw, Inc.
Statement of Cash Flows - By Fund
For the Year Ended December 31, 2014

	Rescue Mission Funds		Community Village Funds	
	Operating Fund	Endowment Fund	Operating Fund	Endowment Fund
Net cash flows from operating activities				
Change in net assets	\$ 815,800	\$ -	\$ (152,413)	\$ -
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities				
Depreciation	158,658	-	55,774	-
(Increase) decrease in:				
Receivables	88,968	-	24,479	-
Prepaid expenses	(12,507)	-	4,137	-
Intra-program receivables	31,007	(1,425)	(964)	-
Increase (decrease) in:				
Accounts payable	3,754	-	(20,333)	-
Accrued expenses	(10,520)	-	(6,928)	-
Resident advance payments	-	-	(1,093)	-
Intra-program payables	(171,851)	-	147,085	-
Net cash provided by (used in) operating activities	<u>903,309</u>	<u>(1,425)</u>	<u>49,744</u>	<u>-</u>
Cash flows from capital and related financing activities				
Purchases of property and equipment	<u>(889,761)</u>	<u>-</u>	<u>(54,713)</u>	<u>-</u>
Cash flows from investing activities				
Sale of investments	<u>-</u>	<u>1,425</u>	<u>-</u>	<u>-</u>
Cash flows from financing activities				
Proceeds from line of credit	686,796	-	-	-
Principal paid on line of credit	(386,213)	-	-	-
Principal paid on note payable	<u>(43,627)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>256,956</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	270,504	-	(4,969)	-
Cash, beginning of period	<u>252,131</u>	<u>-</u>	<u>73,203</u>	<u>-</u>
Cash, end of period	<u>\$ 522,635</u>	<u>\$ -</u>	<u>\$ 68,234</u>	<u>\$ -</u>
Supplemental cash flow information				
Interest paid during year	<u>\$ 21,892</u>			

Good Samaritan Mission Fund		
Operating Fund		Total
\$ 179,393	\$	842,780
58,472		272,904
(2,668)		110,779
1,099		(7,271)
(8,020)		20,598
(50,331)		(66,910)
727		(16,721)
-		(1,093)
4,168		(20,598)
<u>182,840</u>		<u>1,134,468</u>
<u>(187,615)</u>		<u>(1,132,089)</u>
<u>-</u>		<u>1,425</u>
-		686,796
-		(386,213)
-		(43,627)
<u>-</u>		<u>256,956</u>
(4,775)		260,760
128,497		453,831
<u>\$ 123,722</u>	<u>\$</u>	<u>714,591</u>
	<u>\$</u>	<u>21,892</u>