

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**AUDITED FINANCIAL STATEMENTS**  
**June 30, 2022**

**WOODS & DURHAM, CHTD.**  
**Certified Public Accountants**  
**Salina, Kansas**

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT .....	1 - 2
STATEMENT OF FINANCIAL POSITION .....	3
STATEMENT OF ACTIVITIES .....	4
STATEMENT OF CASH FLOWS .....	5
STATEMENT OF FUNCTIONAL EXPENSES .....	6
NOTES TO FINANCIAL STATEMENTS .....	7 - 13

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Salina Rescue Mission, Inc.  
Salina, Kansas

We have audited the accompanying financial statements of Salina Rescue Mission, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 Salina Rescue Mission, Inc. as of June 30, 2022, 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.

### **Basis for Opinion**

We conducted our audit 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 Salina Rescue Mission, Inc. 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 these 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 misstatement, 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 Salina Rescue Mission, Inc.'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 Responsibilities 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 Salina Rescue Mission, Inc.'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 Salina Rescue Mission, Inc.'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.

*Woods & Durham, Chtd.*

WOODS & DURHAM, CHTD.  
Certified Public Accountants  
Salina, Kansas

February 17, 2023

**SALINA RESCUE MISSION, INC.**  
Salina, Kansas

**STATEMENT OF FINANCIAL POSITION**  
June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 741,234	\$ 168,586	\$ 909,820
Short-term investments	568,142	-	568,142
Prepaid expenses	4,295	-	4,295
Unconditional promises to give	50,000	-	50,000
Investments	10,370	-	10,370
Beneficial interest in assets held by GSCF	1,010,081	76,940	1,087,021
Property and equipment, net	943,121	-	943,121
<b>TOTAL ASSETS</b>	<b>\$ 3,327,243</b>	<b>\$ 245,526</b>	<b>\$ 3,572,769</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b><u>Liabilities</u></b>			
Accounts payable	\$ 11,639	\$ -	\$ 11,639
Accrued compensation expense	26,092	-	26,092
Other accrued expenses	6,960	-	6,960
<b>Total Liabilities</b>	<b>44,691</b>	<b>-</b>	<b>44,691</b>
<b><u>Net Assets</u></b>			
Without donor restrictions	3,282,552	-	3,282,552
With donor restrictions	-	245,526	245,526
<b>Total Net Assets</b>	<b>3,282,552</b>	<b>245,526</b>	<b>3,528,078</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,327,243</b>	<b>\$ 245,526</b>	<b>\$ 3,572,769</b>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

**SALINA RESCUE MISSION, INC.**  
Salina, Kansas

**STATEMENT OF ACTIVITIES**  
For The Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS AND OTHER SUPPORT</b>			
Contributions			
General donations and grants	\$ 1,202,388	\$ 105,505	\$ 1,307,893
In-kind contributions	122,799	-	122,799
Special event revenue	144,722	-	144,722
Other income	16,295	-	16,295
Investment return, net	(162,378)	-	(162,378)
Net assets released from restriction:			
Satisfaction of program restrictions	149,789	(149,789)	-
	<b>1,473,615</b>	<b>(44,284)</b>	<b>1,429,331</b>
<b>TOTAL REVENUE, GAINS AND OTHER SUPPORT</b>			
<b>EXPENSES</b>			
Program	1,028,721	-	1,028,721
Costs of direct benefits to donors	11,674	-	11,674
Management and general	129,984	-	129,984
Fundraising	201,834	-	201,834
<b>TOTAL EXPENSES</b>	<b>1,372,213</b>	<b>-</b>	<b>1,372,213</b>
<b>CHANGE IN NET ASSETS</b>	<b>101,402</b>	<b>(44,284)</b>	<b>57,118</b>
<b>NET ASSETS - Beginning of Year</b>	<b>3,181,150</b>	<b>289,810</b>	<b>3,470,960</b>
<b>NET ASSETS - End of Year</b>	<b>\$ 3,282,552</b>	<b>\$ 245,526</b>	<b>\$ 3,528,078</b>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**STATEMENT OF CASH FLOWS**  
**For The Year Ended June 30, 2022**

**Cash Flows From Operating Activities**

Increase in Net Assets	\$ 57,118
Adjustments to reconcile (increase) decrease in net assets to net cash provided by operating activities	
Depreciation	53,322
Loss on disposal of asset	178
Donated property and equipment	(8,000)
Net (appreciation) depreciation on investments	180,864
(Increase) Decrease in Operating Assets	
Prepaid expenses	(1,789)
Increase (Decrease) in Operating Liabilities	
Accounts payable	(5,331)
Accrued compensation expense	3,910
Other accrued expenses	3,620
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>283,892</u>

**Cash Flows From Investing Activities**

Purchased investments	(44,709)
Proceeds from investments	331,010
Purchased property and equipment	(139,762)
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>146,539</u>

**Net Increase (Decrease) in Cash and Cash Equivalents** 430,431

**Cash and Cash Equivalents - Beginning** 479,389

**Cash and Cash Equivalents - Ending** \$ 909,820

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**For The Year Ended June 30, 2022**

	Program	Supporting Services		Total
		Management	Fundraising	
Director salary	\$ 46,447	\$ 22,447	\$ 19,457	\$ 88,351
Staff salary and wages	465,609	54,649	10,625	530,883
Employee benefits	99,832	6,998	1,842	108,672
Payroll taxes	31,021	5,270	2,512	38,803
Professional fundraising fees	-	-	149,370	149,370
Accounting fees	-	16,000	-	16,000
Supplies	38,210	-	-	38,210
Office expenses	17,335	21,846	5,843	45,024
Information technology	-	2,774	-	2,774
Facility occupancy	102,372	-	-	102,372
Travel	95	-	95	190
Maintenance	22,507	-	-	22,507
Conferences	4,018	-	4,018	8,036
Food service	82,952	-	-	82,952
Other program/shelter	42,246	-	-	42,246
Depreciation	53,322	-	-	53,322
Other expenses	22,755	-	8,072	30,827
<b>Total expenses</b>	<b>\$ 1,028,721</b>	<b>\$ 129,984</b>	<b>\$ 201,834</b>	<b>\$ 1,360,539</b>

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities:* The Salina Rescue Mission, Inc. (the Organization) is a nonprofit organization located in Salina, Kansas. It was formed in 1981 to provide Christian Ministry to persons in need of food, shelter, clothing, or other basic needs, and to rehabilitate through Christian teachings.

*Basis of Accounting:* The accompanying financial statements are prepared using the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Under this method revenues are recognized when earned and expenses are recognized when incurred.

*Basis of Presentation:* The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

*Net Assets:* Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-or-grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

*Cash and Cash Equivalents:* Cash and cash equivalents include all monies in banks and highly liquid investments available for current use with an initial maturity of three months or less. Fair market value equals carrying amounts due to the short maturities of these financial instruments.

*Certificate of Deposit:* Certificates of deposit held for investment that are not debt securities are considered investments, and are measured at cost rather than at fair value. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short-term investments. Certificates of deposit with remaining maturities greater than one year are classified as long-term investments.

*Investments:* Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are reported in the statement of activities as increases or decreases in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

*Promises to Give:* Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

*Inventory:* An inventory of supplies and materials is not maintained. Purchases of such items are expensed as purchased.

*Contributed Services:* No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks that assist the Organization, however, these services do not meet the criteria for recognition.

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

*Property and Equipment:* The Organization capitalizes property and equipment over \$2,500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to forty years.

*Compensated Absences:* Employees are not permitted to accumulate unused vacation pay. Accordingly, no accrual for such has been reflected in these financial statements. Employees are allowed to accumulate Earned Time Off (ETO), which is separate from vacation pay. It is the practice of the Organization to pay ETO when employment is terminated. A maximum of one month's salary (according to each hourly employee's schedule or 20 work days for salary employee) are allowed to be carried over at the end of the calendar year. An accrual adjustment for ETO is reflected in these financial statements. The total accrual for ETO at June 30, 2022, was \$22,829.

*Use of Estimates:* The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Revenue Recognition - Contributions:* Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase to 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 to net assets with donor restrictions, depending on the 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 statement of activities as net assets released from restrictions.

*Income Taxes:* The Organization is a nonprofit organization that is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation as provided by a determination letter received from the Internal Revenue Service. The Organization has adopted the provisions of FASB ASC 740-10, Accounting for Income Taxes. This standard clarifies the accounting for uncertainty in the income taxes recognized in the Organization's financial statements. The standard prescribes recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Organization has not identified any uncertain tax positions. The Organization's income tax returns are subject to review and examination by federal, state, and local authorities. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

*Functional Allocation of Expenses:* The basis for allocation of expenses to specific programs is determined by management. Expenses that can be directly identified with specific programs are charged to that program. Other expenses are allocated using percentages or amounts determined by management based on estimated time or resources used. Compensation, benefits and payroll taxes are allocated based on estimated time and effort. Telephone costs, office expenses, conferences, travel and miscellaneous expenses are allocated based on estimated usage.

**SALINA RESCUE MISSION, INC.**  
Salina, Kansas

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

*Fair Value Measurements:* The recorded value of cash, short-term investments, unconditional promises to give, accounts payable, and accrued expenses approximate their fair value based on their short-term nature.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The Organization's investments are stated at fair value at June 30, 2022, and consist of the following:

	Cost Basis	Fair Market Value
Money Market	\$ 901,328	\$ 901,328
Certificate of Deposit	568,142	568,142
Charles Schwab	14,128	10,370
GSCF	821,225	1,087,021
Totals	<u>\$ 2,304,823</u>	<u>\$ 2,566,861</u>

Investment Return is summarized as follows:

Interest Income	\$ 18,436
Dividend Income	21,252
Unrealized Loss on Investment	(207,994)
Realized Gain on Investment	14,343
Administrative Fees	(8,415)
Investment Return, Net	<u>\$ (162,378)</u>

**NOTE 3 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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 to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to methodologies used at June 30, 2022.

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**NOTE 3 - FAIR VALUE MEASUREMENTS (Cont'd.)**

*Money market funds*: Valued at the daily closing price as reported by the fund. The money market fund is an open-end mutual fund that is registered with the Securities and Exchange Commission. This funds is required to publish its daily net asset value (NAV) and to transact at that price. The money market fund is deemed to be activity traded.

*Certificates of deposit*: Valued at amortized cost, which approximates fair value.

*Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact that price. The mutual funds held by the Organization are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022:

	Fair Value Measurements as of June 30, 2022, using:		
	Level 1	Level 2	Level 3
Assets			
Money Market Funds	\$ 901,328	\$ -	\$ -
Certificates of Deposit	-	568,142	-
Mutual Funds	10,370	-	-
GSCF	-	1,087,021	-
Total Assets	<u>\$ 911,698</u>	<u>\$ 1,655,163</u>	<u>\$ -</u>

**NOTE 4 - PROMISES TO GIVE**

Unconditional promises to give without donor restrictions was \$50,000 as of June 30, 2022. These amounts are due in less than one year. According to management, uncollectable amounts for the unconditional promises to give are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts in these financial statements.

**NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS**

Subject to expenditure for specified purpose:

Capital Campaign - Building Renovations	\$ 126,894
CHIP Grant - Addiction Recovery Professional salary	40,000
Laundry Bags	1,692
Beneficial interest in assets held by GSCF	
- Any Specific Purpose	76,940
Total	<u>\$ 245,526</u>

**NOTE 6 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	Total
Land	\$ 10,000
Building and improvements	1,438,013
Vehicles	27,692
Equipment	117,052
Total	<u>1,592,757</u>
Accumulated depreciation	(649,636)
Net Book Value	<u>\$ 943,121</u>

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, is comprised of the following:

Financial assets at year end	
Cash and cash equivalents	\$ 909,820
Short-term investments	568,142
Investments	10,370
Beneficial interest in assets held by GSCF	1,087,021
Total financial assets	<u>2,575,353</u>
Less: donor imposed restrictions	(245,526)
minimum balance requirement (GSCF)	<u>(10,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,319,827</u></u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments or readily assessable funds. The Board forecasts its future cash flows and monitors its liquidity and reserves monthly.

**NOTE 8 - ASSETS IN COMMUNITY FOUNDATION**

The Organization transferred assets to the Greater Salina Community Foundation in order to fund an endowment for its benefit. Distributions from the Foundation to the Mission will be made in a manner consistent with the Foundation's policies and procedures. The Mission gave variance power over the transferred assets to the Foundation, which allows the Foundation to exercise ultimate authority and control over the assets. The assets are reported at fair market value at June 30, 2022, as determined by the Greater Salina Community Foundation. Transfers of assets to a not-for-profit organization or charitable trust that raises or holds contributions for others are recorded on the Statements of Financial Position as a beneficial interest in assets held by the Greater Salina Community Foundation.

**NOTE 9 - RETIREMENT BENEFITS**

The Organization maintains a plan where it funds a retirement benefit for eligible employees who have been employed over five years. It is essentially an IRA contribution made on the behalf of the employee, and is recorded as additional compensation to the employee. The amount funded for the year ended June 30, 2022, was \$22,109.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

The Organization received director and management contributions in the amount of \$113,240 for the year ended June 30, 2022. In addition, Salina Grace Foundation is a controlled entity because the Organization has the power to remove and replace, or a continuing power to appoint or elect, a majority of the directors of Salina Grace Foundation. Salina Grace Foundation is a 501(c)(3) that serves homeless in the area by providing emergency shelter and food, typically to individuals that do not qualify to stay at the Organization. The Organization received \$17,000 from the related organization to reimburse wages of the Executive Director for services provided for the year ended June 30, 2022. The Organization is acting as a common paymaster for the related organization.

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**NOTE 11 - FUTURE CHANGES IN ACCOUNTING PRINCIPLE**

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). Under the new standard, lessees will now be required to recognize substantially all leases on the statement of financial position as both a right-of-use asset and a liability. The standard has two types of leases for statement of activities recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The standard has been delayed and is effective for fiscal years beginning after December 15, 2021. The Organization is evaluating the impact the standard will have on the financial statements; however, the standard is not expected to have a material impact on the financial statements.

**NOTE 12 - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. The following amounts were released from restrictions for the year ended June 30, 2022:

Satisfaction of purpose restrictions:	
Capital Campaign	\$ 144,781
Convection Oven	4,200
Laundry Bags	808
Total Dedicated Funds	<u>\$ 149,789</u>

**NOTE 13 - IN-KIND CONTRIBUTIONS**

In-kind contributions included in the statement of activities are comprised of the following:

Food	\$ 54,845
Supplies	38,210
Clothing	21,744
Vehicles	8,000
Total	<u>\$ 122,799</u>

*Fair value techniques* - Food, supplies and clothing are valued using estimated wholesale prices of identical or similar products if purchased in the region. Vehicles are valued using listed used vehicle prices for similar models and mileage in the region.

*Donor restrictions and use* - In-kind contributions are not restricted. The Organization does not sell in-kind contributions. Items are used within a year or less or passed on to other non-profit organizations.

**NOTE 14 - COMMITMENTS**

The Organization has entered into construction contracts with unrelated parties in the amount of \$616,094, for the renovation of the second and third floors of the building. At June 30, 2022, \$150,006 of such contract commitments had not yet been incurred.

**SALINA RESCUE MISSION, INC.**  
**Salina, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**NOTE 15 - CHANGE IN ACCOUNTING PRINCIPLE**

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Organization adopted this standard in the current fiscal year. The standard did not have a material impact on the financial statements. The Organization has updated disclosures as necessary (See Note 13 - In-Kind Contributions).

**NOTE 16 - CONCENTRATION OF CREDIT RISK**

The Organization maintains its operating cash account and money market accounts in two banks located in Kansas. In addition, the Organization has multiple certificates of deposit at various local banks. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The total uninsured cash balance at June 30, 2022, was \$110,555. Management does not consider this a significant risk to the Organization. The Organizations investment at the Greater Salina Community Foundation are not collateralized. It is the opinion of the Board that the solvency of the referenced financial institution is not of concern at this time.

**NOTE 17 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through February 17, 2023, which is the date the financial statements were available to be issued.