



**THE RESCUE MISSION OF
ROANOKE, INCORPORATED**

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2022

THE RESCUE MISSION OF ROANOKE, INCORPORATED

CONSOLIDATED FINANCIAL REPORT

December 31, 2022

2021 OFFICERS

Mr. Curtis Lee Clark	CEO
Mr. Chad Brown	President
Mr. Norman Marriott	1 st Vice President
Mr. David Dantzler	2 nd Vice President
Mr. Neal Cummings	Treasurer
Mrs. Susan Honeycutt	Assistant Treasurer
Ms. Brenda Allen	Secretary
Mr. George Kegley	Assistant Secretary

2021 BOARD OF DIRECTORS

Ms. Linda McNutt-Foster	Mr. Bill Kingery
Ms. Amy Pace	Mr. Mike Rigney
Dr. Francis Joseph Duckwall	Mr. Gustaf Sylvester-Johnson
Ms. Brenda Hale	Mr. David Topping
Mr. Peter Vieth	Mr. Sherman Lea, Jr.
Ms. Kianna Price Marshall	Mr. Sam Roman

2021 EMERITUS MEMBER

Rev. Joy Sylvester-Johnson

2022 OFFICERS

Mr. Curtis Lee Clark	CEO
Mr. Chad Brown	President
Mr. Norman Marriott	2 nd Vice President
Mr. Neal Cummings	Treasurer
Mrs. Susan Honeycutt	Assistant Treasurer
Ms. Brenda Hale	Secretary

2022 BOARD OF DIRECTORS

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Mr. Peter Vieth	Mr. Sherman Lea, Jr.
Ms. Kianna Price Marshall	Mr. Sam Roman
Ms. Mary Ellen Apgar	

2022 EMERITUS MEMBER

Rev. Joy Sylvester-Johnson

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Rescue Mission of Roanoke, Incorporated
Roanoke, Virginia

Opinion

We have audited the accompanying consolidated financial statements of The Rescue Mission of Roanoke, Incorporated (a not-for-profit organization) which comprise the consolidated statements of financial position as of December 31, 2022 and 2021 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Rescue Mission of Roanoke, Incorporated as of December 31, 2022 and 2021, and the results of its operations 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 The Rescue Mission of Roanoke, Incorporated and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Rescue Mission of Roanoke, Incorporated's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 The Rescue Mission of Roanoke, Incorporated'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Rescue Mission of Roanoke, Incorporated'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and the consolidating statements of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and are not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

(Continued)

Report on Supplementary Information (Continued)

In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Brown, Edwards & Company, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
May 23, 2023

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 1,418,358	\$ 1,325,915
Inventory	151,413	143,942
Contributions receivable, net (Note 3)	19,975	25,020
Investments (Notes 4 and 5)	2,637,704	2,993,614
Property and equipment, net (Note 6)	7,868,219	8,726,977
Property held for future sale	1,966,980	1,003,832
Other assets	22,107	1,726
Restricted assets – funds held in trust	105,420	179,799
Total assets	\$ 14,190,176	\$ 14,400,825
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 109,968	\$ 83,348
Accrued expenses and other (Notes 7 and 14)	280,956	266,439
Liabilities for funds held in trust	107,041	181,445
Notes payable – land (Note 9)	3,090	4,290
Total liabilities	501,055	535,522
NET ASSETS		
Without donor restriction	12,005,149	12,085,419
With donor restrictions (Note 10 and 11)	1,683,972	1,779,884
Total net assets	13,689,121	13,865,303
Total liabilities and net assets	\$ 14,190,176	\$ 14,400,825

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE RESCUE MISSION OF ROANOKE, INCORPORATED

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions and other support:			
Contributions	\$ 3,272,710	\$ 65,873	\$ 3,338,583
Bequests	73,163	-	73,163
Thrift shop sales	918,946	-	918,946
2nd Helpings sales, net	1,063,817	-	1,063,817
In-kind rent	150,500	-	150,500
Interest and dividends	52,009	56,849	108,858
Automobile sales	1,404	-	1,404
Net realized and unrealized losses on investments	(162,964)	(143,509)	(306,473)
Rental revenue	64,117	-	64,117
Fees for services	-	-	-
Gain on transfer of assets	180,662	-	180,662
Other	18,040	-	18,040
Net assets released from restrictions (Note 11)	75,125	(75,125)	-
	5,707,529	(95,912)	5,611,617
EXPENSES			
Program services	4,929,205	-	4,929,205
Support services:			
General and administrative	398,153	-	398,153
Fundraising	460,441	-	460,441
	5,787,799	-	5,787,799
Change in net assets	(80,270)	(95,912)	(176,182)
NET ASSETS			
Beginning	12,085,419	1,779,884	13,865,303
Ending	\$ 12,005,149	\$ 1,683,972	\$ 13,689,121

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE RESCUE MISSION OF ROANOKE, INCORPORATED

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions and other support:			
Contributions	\$ 3,725,422	\$ 76,570	\$ 3,801,992
Bequests	372,022	-	372,022
Thrift shop sales	784,635	-	784,635
2nd Helpings sales, net	928,365	-	928,365
In-kind rent	150,500	-	150,500
Interest and dividends	36,050	36,708	72,758
Automobile sales	7,094	-	7,094
Net realized and unrealized gains on investments	9,170	17,309	26,479
Rental revenue	97,961	-	97,961
Fees for services	9,978	-	9,978
Gain on transfer of assets	-	-	-
Other	8,666	-	8,666
Net assets released from restrictions (Note 11)	-	-	-
	6,129,863	130,587	6,260,450
EXPENSES			
Program services	4,360,386	-	4,360,386
Support services:			
General and administrative	393,996	-	393,996
Fundraising	336,604	-	336,604
	5,090,986	-	5,090,986
Change in net assets	1,038,877	130,587	1,169,464
NET ASSETS			
Beginning	11,046,542	1,649,297	12,695,839
Ending	\$ 12,085,419	\$ 1,779,884	\$ 13,865,303

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE RESCUE MISSION OF ROANOKE, INCORPORATED
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Program Services	Support Services		Total
		General and Administrative	Fundraising	
Payroll	\$ 2,893,969	\$ 260,646	\$ 205,041	\$ 3,359,656
Utilities	378,184	3,820	-	382,004
Depreciation	394,762	3,869	-	398,631
Insurance	253,957	15,020	16,727	285,704
Rent	220,500	-	-	220,500
Supplies	178,725	12,733	-	191,458
Administrative	81,741	78,965	22,025	182,731
Printing and postage	97,975	11,758	108,455	218,188
Maintenance	210,558	2,127	-	212,685
Special events	20,003	6,100	102,024	128,127
Vehicle	49,880	504	-	50,384
Healthcare	14,477	-	-	14,477
Continuing education and staff development	38,204	2,465	1,969	42,638
Advertising	2,444	-	2,444	4,888
Miscellaneous	12,732	146	1,756	14,634
Food	80,905	-	-	80,905
Programs: allowances, groups, and supplies	189	-	-	189
	<u>\$ 4,929,205</u>	<u>\$ 398,153</u>	<u>\$ 460,441</u>	<u>\$ 5,787,799</u>
Percentage of total	<u>85.2%</u>	<u>6.9%</u>	<u>8.0%</u>	<u>100.0%</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE RESCUE MISSION OF ROANOKE, INCORPORATED
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Program Services	Support Services		Total
		General and Administrative	Fundraising	
Payroll	\$ 2,621,279	\$ 265,435	\$ 151,624	\$ 3,038,338
Utilities	342,202	3,457	-	345,659
Depreciation	413,276	4,150	-	417,426
Insurance	239,104	15,878	9,486	264,468
Rent	220,500	-	-	220,500
Supplies	120,619	6,525	52	127,196
Administrative	73,901	73,709	22,418	170,028
Printing and postage	59,742	15,581	80,194	155,517
Maintenance	130,507	1,318	-	131,825
Special events	14,763	5,250	64,661	84,674
Vehicle	38,327	387	-	38,714
Healthcare	9,441	-	-	9,441
Continuing education and staff development	25,621	2,227	1,297	29,145
Advertising	5,923	-	5,923	11,846
Miscellaneous	6,883	79	949	7,911
Food	37,725	-	-	37,725
Programs: allowances, groups, and supplies	573	-	-	573
	<u>\$ 4,360,386</u>	<u>\$ 393,996</u>	<u>\$ 336,604</u>	<u>\$ 5,090,986</u>
Percentage of total	<u>85.7%</u>	<u>7.7%</u>	<u>6.6%</u>	<u>100.0%</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE RESCUE MISSION OF ROANOKE, INCORPORATED

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Change in net assets	\$ (176,182)	\$ 1,169,464
Adjustments to reconcile change in net assets to cash provided by operating activities		
Contributions for long-term investments	(3,650)	(5,291)
Net realized and unrealized gains on investments	306,473	(26,479)
Gain on transfer of assets	(180,662)	-
Depreciation	398,631	417,426
Change in assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	5,045	19,954
Inventory	(7,471)	(22,073)
Other assets	(20,381)	8,299
Increase (decrease) in:		
Accounts payable and accrued expenses	41,137	(89,772)
Liabilities for funds held in trust	(74,404)	(17,269)
Net cash provided by operating activities	288,536	1,454,259
INVESTING ACTIVITIES		
Purchase of property and equipment	(322,359)	(70,266)
Purchase of property held for sale	-	(64,306)
Change in investments, net	49,437	(1,591,721)
Net cash used in investing activities	(272,922)	(1,726,293)
FINANCING ACTIVITIES		
Payments on notes payable	(1,200)	(97,354)
Proceeds from contributions for long-term investment	3,650	5,291
Net cash provided by (used in) financing activities	2,450	(92,063)
Net change in cash and cash equivalents	18,064	(364,097)
CASH AND CASH EQUIVALENTS		
Beginning	1,505,714	1,869,811
Ending	\$ 1,523,778	\$ 1,505,714
RECONCILIATION TO THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 1,418,358	\$ 1,325,915
Restricted assets – funds held in trust	105,420	179,799
	\$ 1,523,778	\$ 1,505,714

The Notes to Consolidated Financial Statements are an integral part of these statements.

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 1. Organization and Nature of Activities

The Rescue Mission of Roanoke, Incorporated (the “Rescue Mission”), also known as The City Rescue Mission, is a nonprofit corporation organized under the laws of the Commonwealth of Virginia as a Christian crisis intervention center which seeks to minister to the whole person and provide emergency food, shelter, clothing, and medical services to anyone in need.

Note 2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Rescue Mission are described below:

Basis of financial statement presentation

The consolidated financial statements of the Rescue Mission have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for a voluntary health and welfare organization.

The accompanying consolidated financial statements present information regarding the Rescue Mission’s financial position and activities according to two classes of net assets, differentiated based on the existence or absence of donor-imposed restrictions, which are described below:

Net assets without donor restrictions are free of donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Revenues, gains, and losses that are not restricted by donors are included in this classification. Expenses are reported as decreases in this classification. The Rescue Mission’s governing board has designated net assets without donor restrictions for the purpose of a quasi-endowment. The balance was \$1,370,012 and \$1,396,841 at December 31, 2022 and 2021, respectively.

Net assets with donor restrictions are limited in use by donor-imposed stipulations that expire either by the passage of time or that can be fulfilled by action of the Rescue Mission pursuant to those stipulations. Net assets with donor restrictions also includes amounts required by donors to be held in perpetuity; however, generally, the income on these assets is available to meet various operating needs. These primarily include Foundation (permanent endowment) funds.

Principles of consolidation

The Rescue Mission Foundation (“Foundation”), also known as The Lifeline Foundation, is an endowment fund organized for the support of the charitable purposes of the Rescue Mission. In 2022, a new entity was formed, Gateway Project, LLC, to purchase, sell, lease, manage, develop and/or own real estate for the development of land in Roanoke City. The Board of Managers for the Gateway Project, LLC consist of two members from the Foundation and two members from the Rescue Mission. Because the directors of the Foundation are elected by the Board of Directors for the Rescue Mission, and because of the financial interrelationship between the three entities, the amounts presented in the accompanying consolidated financial statements include both entities. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and cash equivalents

The Rescue Mission and Foundation consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Inventory

The Rescue Mission accepts contributions of clothing, furniture, and household items for resale to customers in its stores, the Thrift Shop and 2nd Helpings. These donations are recorded using the cost of sales percentage method.

Contributions

Contributions, including unconditional promises to give or contributions receivable, are recognized as without donor restriction or with donor restriction support, depending on the existence and/or nature of any donor restrictions, when the donor's promise is received.

Conditional promises to give are not recognized until they become unconditional – that is, when the conditions on which they depend are substantially met. Contributions of certain assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. If necessary, an allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of the fundraising activity.

The Rescue Mission receives discounted use of space for a thrift shop and gallery. Contributions and expenses related to the donated space have been reflected in the accompanying consolidated statements of activities and functional expenses.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restriction class.

Contributions of property and equipment without donor stipulations on the asset's use are reported as net asset without donor restrictions revenue. Contributions of cash or other assets to be used to acquire land, buildings, and equipment with such donor stipulations are reported as revenues of the net assets with donor restrictions class; the restrictions are considered to be released at the time the assets are placed in service.

Investments

Investments in marketable securities with readily determinable fair values, and all investments in debt securities are reported at fair value in the consolidated statements of financial position. Net unrealized and realized gains or losses are reflected in the consolidated statements of activities. Any investments which are not readily marketable are carried at cost.

Gifts of investments are recorded at fair value (based upon quotations or appraisals) at the date of gift. Purchases and sales of investments are recorded on the trade date.

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Investment in related party

Both the Rescue Mission and the Foundation contributed land for the Gateway Project, LLC in June 2022. The investment on the books of the Rescue Mission and the Foundation is stated at the initial purchase price of the land that was contributed.

Property and equipment

Property and equipment are stated at cost at the date of acquisition or fair value at the date of gift, less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the buildings and improvements (5-40 years) and all other equipment (3-20 years). Property and equipment are removed from the records, and any gain or loss is recognized at the time of disposal. Expenditures for new construction, major renewals and replacements and equipment exceeding \$1,500 are capitalized.

Property held for future sale

The Foundation had two properties held for future sale at December 31, 2022 and 2021. The properties are stated at cost if purchased or at fair value if donated. The Gateway Project, LLC has one property (made up of multiple vacant lots) held for future sale/development at December 31, 2022.

Restricted assets – funds held in trust

Restricted assets consist of funds held in trust for clients receiving services from the Rescue Mission. These funds must be used for the benefit of these clients and do not represent an operating asset of the Rescue Mission.

Advertising costs

The Rescue Mission expenses advertising costs as incurred.

Credit risk concentrations

Financial instruments which potentially subject the Rescue Mission and Foundation to concentrations of credit risk consist of interest-bearing transaction accounts, investments, and contributions receivable. The Rescue Mission and Foundation places its interest-bearing transaction accounts with high credit quality financial institutions. The Rescue Mission has not experienced any losses in such accounts. The Rescue Mission and Foundation place their investments with high credit quality financial institutions. Concentration of credit risk for investments are limited by the Rescue Mission's and Foundation's policy of diversification. On December 31, 2022 and 2021, the Rescue Mission and the Foundation had \$836,923 and \$458,960 respectively, on deposit in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). The Rescue Mission and Foundation have not experienced any losses on uninsured balances. Concentration of credit risk for contributions receivable is limited due to a well-known base of donors.

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue recognition

Thrift shop, 2nd Helpings, and automobile sales

Sales consist of the sale of donated goods and artwork. The revenue is recorded at the point of sale, the point at which the performance obligation for each individual item sold is met. The Rescue Mission does not allow for returns or exchanges on any product other than electronics. Customers have seven days to return a defective product. Returns are infrequent and immaterial and are not considered in the recognition of revenue.

Income tax status

The Rescue Mission and Foundation are exempt from federal and state income tax under Section 501(c)(3) of the *Internal Revenue Code* and the tax statutes of the Commonwealth of Virginia; accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Gateway Project, LLC financial statements do not include a provision for income taxes since the results of operations are included in the tax returns of the partners. State income tax returns are subject to examination for the states' applicable statutes of limitations. No penalties or interest were assessed by income taxing authorities for 2022.

Functional allocation of expenses

The costs of programs and other supporting services for the Rescue Mission have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are common to multiple functions are allocated by various methods deemed reasonable by management.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events

Subsequent events were considered through May 23, 2023, the date the financial statements were available to be issued.

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 3. Contributions Receivable

Contributions receivable consist of the following:

	2022	2021
Contributions expected to be collected in:		
Less than one year	\$ 837	\$ 4,999
One to five years	-	837
Five to ten years	19,951	19,951
	20,788	25,787
Less:		
Discount to net present value at 8% and 4%	(813)	(767)
	\$ 19,975	\$ 25,020

Note 4. Investments

Investments are comprised of the following:

	2022	2021
Stocks	\$ 604,771	\$ 945,676
Treasury notes	172,465	-
Mutual funds	1,631,740	1,768,271
Beneficial interest in assets held by the Community Foundation Serving Western Virginia	228,728	279,667
	\$ 2,637,704	\$ 2,993,614

Amounts reported above as a beneficial interest in assets held by the Community Foundation Serving Western Virginia represent the net cumulative transfer of \$10,000 from the Rescue Mission Foundation to the Community Foundation Serving Western Virginia, as well as the net cumulative transfer of charitable gift annuities from deceased donors set up for the support of the Rescue Mission Foundation. The Community Foundation Serving Western Virginia holds and invests the funds on behalf of the Rescue Mission Foundation.

Note 5. Fair Value of Measurements

The Rescue Mission and Foundation adopted accountings standards which established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 5. Fair Value of Measurements (Continued)

The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Rescue Mission and Foundation 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 similar or identical 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.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Stocks and US Treasury Notes: Valued at closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the Rescue Mission and Foundation at year-end.

Beneficial interest in assets held by the Community Foundation Serving Western Virginia: Assets are invested in Level 1 and Level 3 assets consisting of domestic equities, foreign equities, bonds, cash, hedge funds, and private equities. The Community Foundation Serving Western Virginia (formerly Foundation for Roanoke Valley) uses the net asset value (NAV) or capital balances of its interest in these assets as a practical expedient to determine the fair value of its interest in the net assets of these entities. The fair value of certain investments in the underlying entities, which may include private placements and other securities for which values are not readily available, are determined in good faith by the investment advisors of the respective entities and may not reflect amounts that could be realized upon immediate sale, nor amounts that may be ultimately realized. The fair values of these investments are estimated using the NAV provided by the general partner as a practical expedient.

These fair values may differ significantly from the values that would have been used had a ready market existed for these investments, and these differences could be material. Net asset valuations are provided quarterly by these entities. Appreciation of investments in these entities is net of all fee allocations to the investment advisors.

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

Note 5. Fair Value of Measurements (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Rescue Mission and Foundation 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, within the fair value hierarchy, Rescue Mission's and Foundation's assets at fair value as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks:				
Domestic equity securities –				
Commodities	\$ 223,380	\$ -	\$ -	\$ 223,380
Treasury bonds	192,541	-	-	192,541
Blend	92,592	-	-	92,592
Emerging markets	68,351	-	-	68,351
Total domestic equity securities	576,864	-	-	576,864
Foreign blend equity securities	22,637	-	-	22,637
Common stock – technology	5,269	-	-	5,269
Total stocks	604,770	-	-	604,770
Mutual funds:				
Large blend	79,039	-	-	79,039
Small blend	161,671	-	-	161,671
Market neutral	153,524	-	-	153,524
Managed future	202,787	-	-	202,787
Short-term bond	545,944	-	-	545,944
Money market – taxable	55,479	-	-	55,479
Multialternative	75,915	-	-	75,915
Foreign large blend	54,614	-	-	54,614
World allocation	102,306	-	-	102,306
Diversified emerging market	63,142	-	-	63,142
Foreign small/mid value	38,906	-	-	38,906
Inflation protected bond	31,258	-	-	31,258
Equity precious metals	67,156	-	-	67,156
Total mutual funds	1,631,741	-	-	1,631,741
US Treasury notes	172,465	-	-	172,465
Beneficial interest in assets held by the Community Foundation Serving Western Virginia (formerly Foundation for Roanoke Valley)				
	-	-	228,728	228,728
Total investments	\$ 2,408,976	\$ -	\$ 228,728	\$ 2,637,704
Contributions receivable	\$ -	\$ -	\$ 19,975	\$ 19,975

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

Note 5. Fair Value of Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, Rescue Mission's and Foundation's assets at fair value as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks:				
Domestic equity securities –				
Commodities	\$ 223,429	\$ -	\$ -	\$ 223,429
Treasury bonds	461,901	-	-	461,901
Blend	146,898	-	-	146,898
Emerging markets	75,245	-	-	75,245
Total domestic equity securities	907,473	-	-	907,473
Foreign blend equity securities	34,025	-	-	34,025
Common stock – technology	4,178	-	-	4,178
Total stocks	945,676	-	-	945,676
Mutual funds:				
Large blend	85,324	-	-	85,324
Market neutral	67,206	-	-	67,206
Managed future	34,057	-	-	34,057
Short-term bond	571,626	-	-	571,626
Macro trading	93,819	-	-	93,819
Event driven	12,275	-	-	12,275
Foreign large blend	85,460	-	-	85,460
Foreign small value	156,715	-	-	156,715
Options trading	237,286	-	-	237,286
Commodities broad basket	38,249	-	-	38,249
Diversified emerging market	37,261	-	-	37,261
Systemic trend	102,957	-	-	102,957
World large stock growth	58,677	-	-	58,677
Relative value arbitrage	42,074	-	-	42,074
Equity precious metals	75,056	-	-	75,056
Foreign stock	70,229	-	-	70,229
Total mutual funds	1,768,271	-	-	1,768,271
US Treasury notes	-	-	-	-
Beneficial interest in assets held by the Community Foundation Serving Western Virginia				
	-	-	279,667	279,667
Total investments	\$ 2,713,947	\$ -	\$ 279,667	\$ 2,993,614
Contributions receivable	\$ -	\$ -	\$ 25,020	\$ 25,020

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 5. Fair Value of Measurements (Continued)

Level 3 gains and losses

The table below sets forth a summary of changes in the fair value of the Rescue Mission's and Foundation's Level 3 investment assets at December 31, 2022 and 2021:

	<u>Investments</u>	<u>Contributions Receivable</u>
Balance – December 31, 2020	\$ 247,729	\$ 44,974
Amounts committed	-	46
Payments/grants received	-	(20,000)
Net changes in fair value	<u>31,938</u>	<u>-</u>
Balance – December 31, 2021	279,667	25,020
Amounts committed	-	-
Payments/grants received	(9,920)	(5,045)
Net changes in fair value	<u>(41,019)</u>	<u>-</u>
Balance – December 31, 2022	<u>\$ 228,728</u>	<u>\$ 19,975</u>

The Rescue Mission's and Foundation's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer.

Note 6. Property and Equipment

Property and equipment consists of the following:

	<u>2022</u>	<u>2021</u>
Buildings and improvements	\$ 13,784,525	\$ 14,679,096
Office and other equipment	1,370,940	1,078,714
Trucks and autos	405,478	375,623
Furniture and fixtures	<u>225,963</u>	<u>225,954</u>
	15,786,906	16,359,387
Less: accumulated depreciation	<u>(8,969,635)</u>	<u>(8,908,328)</u>
	6,817,271	7,451,059
Land and land held for future expansion	1,050,948	1,108,048
Construction in progress	<u>-</u>	<u>167,870</u>
	<u>\$ 7,868,219</u>	<u>\$ 8,726,977</u>

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 7. Service Incentive

The Rescue Mission has a service incentive plan covering the CEO and other officers. The Rescue Mission contributes one week of salary for every year of service. Directors vest after five years and anyone who leaves prior to that period is not eligible for any payment. The liability of \$20,118 and \$19,577 at December 31, 2022 and 2021, respectively, is included in accrued expenses on the consolidated statements of financial position.

Note 8. Lines of Credit

The Rescue Mission has the following:

A line of credit from Pinnacle Bank for \$300,000, which bears interest at the 1-month CME Term Secured Overnight Financing Rate (SOFR) plus 2.85% subject to a 3.75% floor (7.15% at December 31, 2022, and is unsecured. The line of credit expires on September 5, 2023. No amounts were drawn on the line at December 31, 2022 and 2021.

A line of credit from Atlantic Union Bank for \$600,000, which bears interest at the bank's prime rate (8.00% at December 31, 2022) subject to a 4.00% floor and is unsecured. The line of credit expires on June 30, 2023. No amounts were drawn on the line at December 31, 2022 and 2021.

Note 9. Notes Payable – Land

In July 2015, the Mission entered into an interest free agreement to purchase land for \$12,000. The terms required 120 monthly payments of \$100.

	2022	2021
Notes payable – land	\$ 3,090	\$ 4,290

Estimated aggregate maturities required on principal under notes payable for each of the succeeding four years are as follows:

2023	\$ 1,200
2024	1,200
2025	690
	\$ 3,090

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 10. Net Assets with Donor Restrictions

Donor restricted net assets for specific purposes and time are classified as follows:

	<u>2022</u>	<u>2021</u>
Foundation investment income (endowment)	\$ 454,779	\$ 541,439
Grant to be used for future improvements	<u>62,223</u>	<u>75,125</u>
	<u>\$ 517,002</u>	<u>\$ 616,564</u>

Donor restricted net assets held in perpetuity are classified as follows:

	<u>2022</u>	<u>2021</u>
Women’s Center	\$ 369,300	\$ 365,650
Tomorrow Fund (endowment)	783,892	783,892
Summer enrichment fund	12,778	12,778
Honeycutt scholarship fund	<u>1,000</u>	<u>1,000</u>
	<u>\$ 1,166,970</u>	<u>\$ 1,163,320</u>
Total net assets with donor restrictions	<u>\$ 1,683,972</u>	<u>\$ 1,779,884</u>

Note 11. The Rescue Mission Foundation (Endowment Funds)

The Foundation is an endowment fund organized for the support of the charitable purposes of the Rescue Mission. The Foundation’s endowment consists of four funds (John Sylvester-Johnson Fund, Honor Thy Mother, Honor Thy Father, and Joy Sylvester-Johnson Leadership for Tomorrow Fund and Board-designated) held in the assets of the Foundation. The Foundation includes both donor-restricted endowment funds and funds designated by the Board of Directors of the Foundation (Board) to function as endowments. As required by U.S. GAAP, net assets associated with these Foundation (endowment) funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The management of donor-restricted endowment funds is governed by state law under the State Prudent Management of Institutional Funds (SPMIFA) law as adopted by Virginia state legislature in 2008. The Foundation’s Board of Directors has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Rescue Mission classifies net assets with donor restrictions: a) the original value of gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Foundation appropriates amounts for expenditure based upon accumulated earnings in the funds and the needs of the Foundation and Rescue Mission. During 2022, \$115,893 and during 2021, \$109,912 of the endowment was appropriated as support back to the Rescue Mission. The primary objective is long-term capital appreciation and total return. The Foundation utilizes diversified investment classes that provide the opportunity to achieve return objectives without exposing the funds to unnecessary risk. The Rescue Mission has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 11. The Rescue Mission Foundation (Endowment Funds) (Continued)

The Foundation's net asset composition by type of fund as of December 31, 2022 and 2021 is as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total Foundation (Endowment) Assets
Donor-restricted Foundation assets	\$ -	\$ 1,621,749	\$ 1,621,749
Board-designated Foundation funds	1,370,212	-	1,370,212
Total funds	<u>\$ 1,370,012</u>	<u>\$ 1,621,749</u>	<u>\$ 2,991,961</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total Foundation (Endowment) Assets
Donor-restricted Foundation assets	\$ -	\$ 1,704,759	\$ 1,704,759
Board-designated Foundation funds	1,396,841	-	1,396,841
Total funds	<u>\$ 1,396,841</u>	<u>\$ 1,704,759</u>	<u>\$ 3,101,600</u>

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 11. The Rescue Mission Foundation (Endowment Funds) (Continued)

A summary of the activity in Foundation (endowment) funds for the years ended December 31, 2022 and 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Foundation (endowment) assets – December 31, 2020	<u>\$ 1,109,155</u>	<u>\$ 1,649,297</u>	<u>\$ 2,758,452</u>
Investment return:			
Investment income	24,321	36,708	61,029
Net realized and unrealized gains	<u>11,468</u>	<u>17,309</u>	<u>28,777</u>
	<u>35,789</u>	<u>54,017</u>	<u>89,806</u>
Contributions and bequests	388,402	1,445	389,847
Appropriated for expenditure and investment fees	<u>(136,505)</u>	<u>-</u>	<u>(136,505)</u>
Foundation (endowment) assets – December 31, 2021	<u>1,396,841</u>	<u>1,704,759</u>	<u>3,101,600</u>
Investment return:			
Investment income	23,681	56,849	80,530
Net realized and unrealized losses	<u>(59,780)</u>	<u>(143,509)</u>	<u>(203,289)</u>
	<u>(36,099)</u>	<u>(86,660)</u>	<u>(122,759)</u>
Contributions and bequests	150,485	3,650	154,135
Appropriated for expenditure and investment fees	<u>(141,015)</u>	<u>-</u>	<u>(141,015)</u>
Foundation (endowment) assets – December 31, 2022	<u>\$ 1,370,212</u>	<u>\$ 1,621,749</u>	<u>\$ 2,991,961</u>

Note 12. Major Donors

For both 2022 and 2021, five donors accounted for approximately 16% and 14% of contribution and bequest revenue, respectively.

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022

Note 13. Retirement Plan

The Rescue Mission offers a 403(b) retirement program where all full and part-time employees can participate through payroll deduction in a pool of tax-sheltered investments of varying risk and performance outlooks. Eligibility begins on the first day of employment with 100% vesting after five years (20% per year). The Rescue Mission matches employee contributions up to 5% of employees' gross pay. Employees electing not to participate in the plan must notify the Rescue Mission of their intention in writing. The Rescue Mission contributed \$35,897 and \$26,288 to the plans for 2022 and 2021, respectively.

Note 14. Charitable Gift Annuities

The Community Foundation Serving Western Virginia has provided various charitable gift annuities to donors that are ultimately designated to support the Rescue Mission Foundation.

Donors make a minimum gift of \$10,000 to the Community Foundation Serving Western Virginia designated for the Rescue Mission Foundation and receive annuity payments as long as they live. At the death of the donor(s), the remaining principal remains under the control of the Community Foundation Serving Western Virginia to be used to advance the programs at the Rescue Mission. An annual grant is made from this fund to the Rescue Mission and the grant amount is 4% of the average fund balance. Donors can designate specific ministries at the Rescue Mission to support with their gift.

At December 31, 2022 five donor and at December 31, 2021 three donors have set up charitable gift annuities to benefit the Rescue Mission and are still living.

Beginning in 2014, the Rescue Mission Foundation managed new annuities internally. All annuities currently managed by the Community Foundation Serving Western Virginia (formerly Foundation for Roanoke Valley) will continue to be managed by them. As of December 31, 2022 and 2021, the Rescue Mission Foundation is managing three annuities and the corresponding liability totaled \$7,550 and \$8,597, respectively, and is included with accrued expenses on the consolidated statements of financial position.

Note 15. Leases

The Rescue Mission leases space for the 2nd Helpings retail under a four-year agreement through December 2020. While the Rescue Mission now leases space under a month-to-month agreement, the amount per square foot is discounted based on market value. The difference is included as a contribution and expense in the consolidated statements of activities and functional expenses and was \$150,500 in both 2022 and in 2021.

Rental expense incurred under the operating lease was \$70,000 for 2022 and 2021.

(Continued)

THE RESCUE MISSION OF ROANOKE, INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

Note 16. Financial Assets and Liquidity Resources

To help manage liquidity needs, the Rescue Mission has a quasi-endowment. Although the intent is not to spend these funds, they could be appropriated for general expenditure if necessary.

As of December 31, 2022 and 2021, financial assets due within one year of the balance sheet date for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,418,358	\$ 1,325,915
Contributions receivable, net	837	4,999
Quasi-endowment to be used if necessary	<u>1,370,212</u>	<u>1,396,841</u>
	<u>\$ 2,789,407</u>	<u>\$ 2,727,755</u>

To help manage unanticipated liquidity needs, the Rescue Mission has two committed lines of credit totaling \$900,000, which it could draw upon.

SUPPLEMENTARY INFORMATION

THE RESCUE MISSION OF ROANOKE, INCORPORATED
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2022

	<u>The Rescue Mission</u>			<u>The Rescue Mission Foundation</u>	<u>Gateway Project</u>	<u>Eliminations</u>	<u>Total</u>
	<u>Operating</u>	<u>Capital Investment</u>	<u>Total</u>				
ASSETS							
Cash and cash equivalents	\$ 916,062	\$ -	\$ 916,062	\$ 502,296	\$ -	-	\$ 1,418,358
Inventory	151,413	-	151,413	-	-	-	151,413
Contributions receivable, net	837	-	837	19,138	-	-	19,975
Investments	1,163,535	-	1,163,535	1,474,169	-	-	2,637,704
Property and equipment, net	-	7,868,219	7,868,219	-	-	-	7,868,219
Property held for future sale	-	-	-	233,018	1,733,962	-	1,966,980
Amounts due from (to) related party	(28)	-	(28)	28	-	-	-
Other assets	22,107	-	22,107	-	-	-	22,107
Investment in related party	963,148	-	963,148	770,814	-	(1,733,962)	-
Restricted assets – funds held in trust	105,420	-	105,420	-	-	-	105,420
Total assets	<u>\$ 3,322,494</u>	<u>\$ 7,868,219</u>	<u>\$ 11,190,713</u>	<u>\$ 2,999,463</u>	<u>\$ 1,733,962</u>	<u>\$ (1,733,962)</u>	<u>\$ 14,190,176</u>
LIABILITIES AND NET ASSETS							
Accounts payable	\$ 109,968	\$ -	\$ 109,968	\$ -	\$ -	\$ -	\$ 109,968
Accrued expenses and other	273,454	-	273,454	7,502	-	-	280,956
Liabilities for funds held in trust	107,041	-	107,041	-	-	-	107,041
Notes payable – land	3,090	-	3,090	-	-	-	3,090
Total liabilities	<u>493,553</u>	<u>-</u>	<u>493,553</u>	<u>7,502</u>	<u>-</u>	<u>-</u>	<u>501,055</u>
NET ASSETS							
Without donor restrictions	2,766,718	7,868,219	10,634,937	1,370,212	-	-	12,005,149
With donor restrictions	62,223	-	62,223	1,621,749	-	-	1,683,972
Member's equity	-	-	-	-	1,733,962	(1,733,962)	-
Total net assets	<u>2,828,941</u>	<u>7,868,219</u>	<u>10,697,160</u>	<u>2,991,961</u>	<u>1,733,962</u>	<u>(1,733,962)</u>	<u>13,689,121</u>
Total liabilities and net assets	<u>\$ 3,322,494</u>	<u>\$ 7,868,219</u>	<u>\$ 11,190,713</u>	<u>\$ 2,999,463</u>	<u>\$ 1,733,962</u>	<u>\$ (1,733,962)</u>	<u>\$ 14,190,176</u>

THE RESCUE MISSION OF ROANOKE, INCORPORATED
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2021

	<u>The Rescue Mission</u>			<u>The Rescue Mission Foundation</u>	<u>Gateway Project</u>	<u>Eliminations</u>	<u>Total</u>
	<u>Operating</u>	<u>Capital Investment</u>	<u>Total</u>				
ASSETS							
Cash and cash equivalents	\$ 791,096	\$ -	\$ 791,096	\$ 534,819	\$ -	\$ -	\$ 1,325,915
Inventory	143,942	-	143,942	-	-	-	143,942
Contributions receivable, net	5,836	-	5,836	19,184	-	-	25,020
Investments	1,454,564	-	1,454,564	1,539,050	-	-	2,993,614
Property and equipment, net	-	8,726,977	8,726,977	-	-	-	8,726,977
Property held for future sale	-	-	-	1,003,832	-	-	1,003,832
Amounts due from (to) related party	(13,310)	-	(13,310)	13,310	-	-	-
Other assets	1,726	-	1,726	-	-	-	1,726
Investment in related party	-	-	-	-	-	-	-
Restricted assets – funds held in trust	179,799	-	179,799	-	-	-	179,799
Total assets	<u>\$ 2,563,653</u>	<u>\$ 8,726,977</u>	<u>\$ 11,290,630</u>	<u>\$ 3,110,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,400,825</u>
LIABILITIES AND NET ASSETS							
Accounts payable	\$ 83,348	\$ -	\$ 83,348	\$ -	\$ -	\$ -	\$ 83,348
Accrued expenses and other	257,844	-	257,844	8,595	-	-	266,439
Liabilities for funds held in trust	181,445	-	181,445	-	-	-	181,445
Notes payable – land	4,290	-	4,290	-	-	-	4,290
Total liabilities	<u>526,927</u>	<u>-</u>	<u>526,927</u>	<u>8,595</u>	<u>-</u>	<u>-</u>	<u>535,522</u>
NET ASSETS							
Without donor restrictions	1,961,601	8,726,977	10,688,578	1,396,841	-	-	12,085,419
With donor restrictions	75,125	-	75,125	1,704,759	-	-	1,779,884
Member's equity	-	-	-	-	-	-	-
Total net assets	<u>2,036,726</u>	<u>8,726,977</u>	<u>10,763,703</u>	<u>3,101,600</u>	<u>-</u>	<u>-</u>	<u>13,865,303</u>
Total liabilities and net assets	<u>\$ 2,563,653</u>	<u>\$ 8,726,977</u>	<u>\$ 11,290,630</u>	<u>\$ 3,110,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,400,825</u>

THE RESCUE MISSION OF ROANOKE, INCORPORATED

CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	<u>The Rescue Mission</u>			<u>The Rescue Mission Foundation</u>			<u>Gateway Project</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUES									
Contribution and other support									
Contributions	\$ 3,203,488	\$ 62,223	\$ 3,265,711	\$ 69,222	\$ 3,650	\$ 72,872	\$ -	\$ -	\$ 3,338,583
Bequests	-	-	-	73,163	-	73,163	-	-	73,163
Thrift shop sales	918,946	-	918,946	-	-	-	-	-	918,946
2nd Helping sales	1,063,817	-	1,063,817	-	-	-	-	-	1,063,817
In-kind rent	150,500	-	150,500	-	-	-	-	-	150,500
Interest and dividends	28,328	-	28,328	23,681	56,849	80,530	-	-	108,858
Automobile sales	1,404	-	1,404	-	-	-	-	-	1,404
Net realized and unrealized gains (losses)									
on investments	(103,184)	-	(103,184)	(59,780)	(143,509)	(203,289)	-	-	(306,473)
Rental revenue	56,017	-	56,017	8,100	-	8,100	-	-	64,117
Fees for services	-	-	-	-	-	-	-	-	-
Gain on transfer or assets	180,662	-	180,662	-	-	-	-	-	180,662
Other	133,933	-	133,933	-	-	-	-	(115,893)	18,040
Net assets released from restrictions	75,125	(75,125)	-	-	-	-	-	-	-
	<u>5,709,036</u>	<u>(12,902)</u>	<u>5,696,134</u>	<u>114,386</u>	<u>(83,010)</u>	<u>31,376</u>	<u>-</u>	<u>(115,893)</u>	<u>5,611,617</u>
EXPENSES									
Program services	4,929,205	-	4,929,205	-	-	-	-	-	4,929,205
Support services									
General and administrative	373,031	-	373,031	141,015	-	141,015	-	(115,893)	398,153
Fundraising	460,441	-	460,441	-	-	-	-	-	460,441
	<u>5,762,677</u>	<u>-</u>	<u>5,762,677</u>	<u>141,015</u>	<u>-</u>	<u>141,015</u>	<u>-</u>	<u>(115,893)</u>	<u>5,787,799</u>
Change in net assets	(53,641)	(12,902)	(66,543)	(26,629)	(83,010)	(109,639)	-	-	(176,182)
NET ASSETS									
Beginning	<u>10,688,578</u>	<u>75,125</u>	<u>10,763,703</u>	<u>1,396,841</u>	<u>1,704,759</u>	<u>3,101,600</u>	<u>-</u>	<u>-</u>	<u>13,865,303</u>
Ending	<u>\$ 10,634,937</u>	<u>\$ 62,223</u>	<u>\$ 10,697,160</u>	<u>\$ 1,370,212</u>	<u>\$ 1,621,749</u>	<u>\$ 2,991,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,689,121</u>

THE RESCUE MISSION OF ROANOKE, INCORPORATED

CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	<u>The Rescue Mission</u>			<u>The Rescue Mission Foundation</u>			<u>Gateway Project</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUES									
Contribution and other support									
Contributions	\$ 3,615,117	\$ 75,125	\$ 3,690,242	\$ 110,305	\$ 1,445	\$ 111,750	\$ -	\$ -	\$ 3,801,992
Bequests	100,000	-	100,000	272,022	-	272,022	-	-	372,022
Thrift shop sales	784,635	-	784,635	-	-	-	-	-	784,635
2nd Helping sales	928,365	-	928,365	-	-	-	-	-	928,365
In-kind rent	150,500	-	150,500	-	-	-	-	-	150,500
Interest and dividends	11,729	-	11,729	24,321	36,708	61,029	-	-	72,758
Automobile sales	7,094	-	7,094	-	-	-	-	-	7,094
Net realized and unrealized gains (losses)									
on investments	(2,298)	-	(2,298)	11,468	17,309	28,777	-	-	26,479
Rental revenue	91,886	-	91,886	6,075	-	6,075	-	-	97,961
Fees for services	9,978	-	9,978	-	-	-	-	-	9,978
Gain on transfer of assets	-	-	-	-	-	-	-	-	-
Other	118,578	-	118,578	-	-	-	-	(109,912)	8,666
Net assets released from restrictions	-	-	-	-	-	-	-	-	-
	<u>5,815,584</u>	<u>75,125</u>	<u>5,890,709</u>	<u>424,191</u>	<u>55,462</u>	<u>479,653</u>	<u>-</u>	<u>(109,912)</u>	<u>6,260,450</u>
EXPENSES									
Program services	4,360,386	-	4,360,386	-	-	-	-	-	4,360,386
Support services									
General and administrative	367,403	-	367,403	136,505	-	136,505	-	(109,912)	393,996
Fundraising	336,604	-	336,604	-	-	-	-	-	336,604
	<u>5,064,393</u>	<u>-</u>	<u>5,064,393</u>	<u>136,505</u>	<u>-</u>	<u>136,505</u>	<u>-</u>	<u>(109,912)</u>	<u>5,090,986</u>
Change in net assets	751,191	75,125	826,316	287,686	55,462	343,148	-	-	1,169,464
NET ASSETS									
Beginning	9,937,387	-	9,937,387	1,109,155	1,649,297	2,758,452	-	-	12,695,839
Ending	<u>\$ 10,688,578</u>	<u>\$ 75,125</u>	<u>\$ 10,763,703</u>	<u>\$ 1,396,841</u>	<u>\$ 1,704,759</u>	<u>\$ 3,101,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,865,303</u>