



**John W. Thomas**  
*Certified Public Accountant*

**COOKEVILLE RESCUE MISSION, INC**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To Management  
Cookeville Rescue Mission, Inc.  
Cookeville, Tennessee

I have reviewed the accompanying financial statements of Cookeville Rescue Mission, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

**Management's Responsibility for the Balance Sheet**

Management is responsible for the preparation and fair presentation of the balance sheet 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 a balance sheet that is free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Cookeville Rescue Mission, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

**Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*John W. Thomas, CPA*

Cordova, Tennessee

October 17, 2023

**COOKEVILLE RESCUE MISSION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**

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**ASSETS**

**Current Assets:**

Cash	\$	487,859	
Restricted cash		20,130	
Restricted investments		9,663	
Prepaid expenses		<u>3,741</u>	
Total current assets	\$		521,393

**Property and Equipment**

Land and building		1,894,460	
Building improvements		30,873	
Furniture, fixtures and equipment		129,559	
Vehicles		75,204	
Less accumulated depreciation		<u>(969,792)</u>	1,160,304

**Assets Whose Use is Limited:**

Endowment-investments		<u>31,000</u>	31,000
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<b>Total Assets</b>	\$		<u><u>1,712,697</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$	1,028	
Accrued expenses		4,859	
Current portion of long-term debt		<u>350,000</u>	
Total Liabilities	\$		355,887

**Net Assets:**

Without donor restrictions		1,296,017	
With donor restrictions		<u>60,793</u>	
Total Net Assets			<u>1,356,810</u>

<b>Total Liabilities and Net Assets</b>	\$		<u><u>1,712,697</u></u>
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COOKEVILLE RESCUE MISSION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public Support and Revenue:</b>			
Public support-Contributions	\$ 473,748	\$ -	\$ 473,748
<b>Revenue:</b>			
Fundraising	67,189	-	67,189
Grants	22,617	-	22,617
In-kind donations	59,247	-	59,247
Investment income (loss)	(5,820)	-	(5,820)
Other income	14,722	-	14,722
Capital Campaign-restricted	-	25,740	25,740
Net assets released from restrictions	62,117	(62,117)	0
Total revenues	<u>220,072</u>	<u>(36,377)</u>	<u>183,695</u>
Total public support and revenue	<u>693,820</u>	<u>(36,377)</u>	<u>657,443</u>
<b>Expenses:</b>			
Program Services	339,576	-	339,576
Supporting Services		-	
Management and general	186,989	-	186,989
Fundraising	133,495	-	133,495
Total expenses	<u>660,060</u>	<u>-</u>	<u>660,060</u>
Change in net assets	33,760	(36,377)	(2,617)
Net assets-beginning of year	<u>1,412,258</u>	<u>97,169</u>	<u>1,509,427</u>
Net assets-end of year	<u>\$ 1,446,018</u>	<u>\$ 60,792</u>	<u>\$ 1,506,810</u>

See independent accountant's review report

COOKEVILLE RESCUE MISSION, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			TOTAL
	Men's Buildings	Lighthouse Family Lodge	Marsh Chapel	Welcome Center & Kitchen	Jefferson Center	Program Services	Management and General	Fundraising	
Salaries and wages	\$ 55,902	48,916	9,858	20,669	14,987	\$ 150,331	\$ 72,565	\$ 36,868	\$ 259,764
Payroll taxes	-	-	-	-	-	-	19,713	-	19,713
Advertising expenses	-	-	-	-	-	-	8,107	5,940	14,047
Bank service charges	-	-	-	-	-	-	92	-	92
Capital campaign	-	-	-	-	-	-	-	-	-
Depreciation expense	6,676	6,250	5,186	-	-	18,112	7,282	-	25,394
Development/Marketing	-	-	-	-	-	-	-	-	-
Dues expense	-	-	-	-	-	-	18,208	-	18,208
Drug screen expense	806	731	-	-	731	2,269	-	-	2,269
Fundraising expenses	-	-	-	-	-	-	-	86,098	86,098
Gift expense	-	-	661	-	-	661	959	-	1,621
In-kind expense	-	-	-	-	59,247	59,247	-	-	59,247
Insurance expense	-	-	-	-	-	-	22,902	-	22,902
Interest expense	-	-	-	-	17,725	17,725	-	-	17,725
Miscellaneous	-	-	-	-	-	-	-	-	-
OSHA Compliance expense	-	-	-	-	-	-	-	-	-
Professona fees	-	-	-	-	-	-	8,000	4,580	12,580
Program fees expense	-	-	-	-	-	-	-	-	-
Property impairment expense	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-
Rent expense	-	-	-	-	-	-	3,170	-	3,170
Repairs & maintenance expenses	1,914	7,559	814	7,128	9,017	26,432	6,550	-	32,982
Staff/Board Development	-	-	-	-	-	-	2,575	9	2,584
Special event expense	-	-	-	-	-	-	1,465	-	1,465
Supplies expense	2,483	701	556	11,162	3,339	18,241	10,218	-	28,458
Travel	-	-	-	-	-	-	-	-	-
Utilities expense	13,726	10,299	-	9,218	13,316	46,558	5,182	-	51,741
<b>Total expenses by function</b>	<b>\$ 81,507</b>	<b>74,456</b>	<b>17,075</b>	<b>48,176</b>	<b>118,361</b>	<b>\$ 339,576</b>	<b>\$ 186,989</b>	<b>\$ 133,495</b>	<b>\$ 660,059</b>

See independent accountant's review report

**COOKEVILLE RESCUE MISSION. INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Cash Flows from Operating Activities:		
Change in net assets		\$ (2,617)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	\$ 25,394	
Investment income, reinvested	0	
Changes in:		
Prepaid expenses	13,192	
Accounts payable	(5,936)	
Accrued expenses	<u>(2,654)</u>	
Net cash provided by operating activities		29,996
Cash Flows from Investing Activities:		
Purchase of assets	<u>(7,034)</u>	
Net cash used in investing activities		(7,034)
Cash Flows from Financing Activities:		
Payments on debt	<u>(40,000)</u>	
Net cash used in financing activities		<u>(40,000)</u>
Net decrease in cash and restricted cash		(19,655)
Cash and restricted cash-beginning of year		<u>527,644</u>
Cash and restricted cash-end of year		\$ <u><u>507,989</u></u>

During the year ended December 31, 2022, interest of \$17,725 was paid

See independent accountant's review report

**COOKEVILLE RESCUE MISSION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

NOTE 1 - Summary of Significant Accounting Policies

Description of Business and Program Services

In these notes, the terms "Organization", "we", "us", or "our" mean Cookeville Rescue Mission, Inc. Our primary objective is to provide temporary emergency shelter to individuals in need of housing and connect those individuals with local agencies who can provide more permanent housing assistance, job placement, health services and other social services.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, our net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as net assets without donor restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions, Support and Revenue

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in net asset with donor restrictions. 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 Activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, we consider all unrestricted cash and investment instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2022, we had no cash equivalents.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value as of the date of donation. Depreciation is calculated using the straight-line basis over the estimated useful lives of the respective assets. Our capitalization policy is to capitalize any expenditure over \$1,000 for any land, building, or equipment purchased. Expenditures for repairs and maintenance are charged to expense as incurred.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. As of December 31, 2022, no assets were considered to be impaired.

Prepaid Expenses

Prepaid expenses are composed of payments to our insurance vendors for future periods covered by the policy.

**COOKEVILLE RESCUE MISSION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

NOTE 1 – Summary of Significant Accounting Policies (continues)

Advertising

Advertising is expensed as incurred. Total advertising expense for the year ended December 31, 2022, was \$14,047.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis on the Statement of Activities. Accordingly, these costs have been allocated among the programs and supporting services benefitted and are done so based on an invoice-by-invoice basis for the direct category affected. Based on an assessment of staff and management's time, salaries have been allocated entirely to supporting services.

Income Taxes

We are a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and are classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. We do not believe there are any uncertain tax positions. Further, we do not believe that we have any unrelated business income, which would be subject to federal taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions affecting certain reported amounts and disclosures. Actual results could differ from those estimates.

Fair Values of Financial Instruments

The fair values of assets and liabilities approximate the carrying values due to the short maturities of these instruments and they are all Level 1 in the fair value hierarchy.

NOTE 2 – Availability and Liquidity

Financial assets available for general expenditure within one year of the statement of financial position, consist of the following:

Financial assets for the year ended:	
Cash-not restricted	\$ 487,859

In the next fiscal year, we plan to receive the same level of revenue and contributions and consider these for programs, which are ongoing, major, and central to its annual operations, to be available to meet cash needs for general expenditures.

Except as notes in Note 6, all cash is considered readily available. We manage our liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. If our analysis of liquid assets reveals inadequate funds for near-term operating needs, we will immediately reduce spending on program and management and general expenditures.

**COOKEVILLE RESCUE MISSION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

NOTE 3 - Property and Equipment

Property and equipment consisted of the following at December 31, 2022:

Land	\$	254,552
Buildings		1,727,091
Vehicles		75,204
Equipment and Fixtures		<u>129,559</u>
		2,130,096
Less accumulated depreciation		<u>(969,792)</u>
Property and Equipment, net	\$	<u>1,160,304</u>

Depreciation expense for the year ended December 31, 2022, was \$25,394.

NOTE 4 - Accounts payable and Accrued Expenses

Accounts payable at December 31, 2022, are as follows:

Accounts Payable	\$	1,207
Credit Card Payable		<u>4,679</u>
		\$ <u>5,886</u>

NOTE 5 - Note Payable

Note payable, shown as current portion of long-term debt on the balance sheet, consists of the following at December 31, 2022:

Note payable to One Bank Mortgage, with interest payable monthly at a rate of 5.00%, through maturity on September 1, 2024. Note is secured by real-estate.	\$	<u>350,000</u>
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NOTE 6 – Net Assets

Net assets with donor restrictions consisted of the following at December 31, 2022:

Capital Campaign	\$	29,793
Endowment		<u>31,000</u>
		\$ <u>60,793</u>

NOTE 7 – Endowment Funds

Our endowment consists of funds established by donors to be held in perpetuity, including gifts requiring that the principal be invested, and the income of specific portions thereof be used for operations. Our permanently restricted endowment funds are based on the spending policies described below which follow the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and the State of Tennessee's State Uniform Prudent Management of Institutional Funds Act (SUPMIFA).

**COOKEVILLE RESCUE MISSION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

NOTE 7 - Endowment Funds (continued)

Financial accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of UPMIFA. Financial accounting standards also require additional disclosures about our endowment funds (both donor-restricted endowment funds and board-designated funds), whether or not we are subject to UPMIFA.

*Interpretation of applicable law* – The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts as of the first date of the donor-restricted endowment permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) 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 remaining portions of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

*Spending policy* – We have a policy of appropriating for distribution each year a maximum payout up to the total earnings from the funds in excess of the original corpus value. Withdrawal of funds cannot cause the account to fall below the original corpus. If market conditions cause the value of the account to fall below this limit, no withdrawal of funds can be made until the value exceeds this limit. Corpus balance will not be restored from general operating funds of the organization rather withdrawals will be prohibited until market growth restores balance. Withdrawn funds will only be used to enhance our programs above and beyond the amounts typically spent or budgeted on such programs. For the year ended December 31, 2021, no funds were withdrawn for this purpose.

*Investment return objective, risk parameters and strategies* – The objective of our endowment portfolio is a balanced approach between equities and fixed income. The investment horizon is long-term and balances the need for income and growth.

At December 31, 2022, our endowment funds were held in an investment account mainly of equities, fixed income, and mutual funds. As of December 31, 2022, the funds are shown on the statement of financial position as follows:

Investments	\$ 9,663
Cash in bank	20,130
Endowment-investments	<u>31,000</u>
Total Endowment	\$ <u>60,793</u>

NOTE 8 – Concentrations of Credit Risk

At various times throughout 2022, we had cash balances with financial institutions which exceeded the maximum amount insured by the Federal Deposit Insurance Corporation ("FDIC"). We have not experienced any losses in such accounts and do not believe that we are exposed to any significant credit risk in our cash.

**COOKEVILLE RESCUE MISSION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

NOTE 9 – Lease Agreement

We lease a copier with monthly payments of \$239. This lease, classified as an operating lease, expires on November 3, 2025. Total rent expense for the year ended December 31, 2022, was \$3,170.

A schedule of future minimum lease payments under the non-cancellable operating leases is as follows:

<u>Year Ended Dec 31</u>	
2023	\$ 2,864
2024	2,864
2025	2,625
2026	<u>---</u>
	<u>\$ 8,353</u>

NOTE 12 – Subsequent Events

We have evaluated events subsequent to the year ending December 31, 2022. As of October 17, 2023, the date that the financial statements were available to be issued, we are not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.

