

# SEATTLE'S UNION GOSPEL MISSION

Consolidated Financial Statements  
With Independent Auditors' Report

August 31, 2022 and 2021

# SEATTLE'S UNION GOSPEL MISSION

## Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statement of Functional Expenses - 2022	6
Consolidated Statement of Functional Expenses - 2021	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	10
Supplemental Information	
Independent Auditors' Report on Supplemental Information	29
Supplemental Consolidating Statement of Financial Position - 2022	30
Supplemental Consolidating Statement of Financial Position - 2021	31



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Seattle's Union Gospel Mission  
Seattle, Washington

### ***Opinion***

We have audited the accompanying consolidated financial statements of Seattle's Union Gospel Mission, which comprise the consolidated statements of financial position as of August 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 Seattle's Union Gospel Mission as of August 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Seattle's Union Gospel Mission 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 Seattle's Union Gospel Mission's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Trustees  
Seattle's Union Gospel Mission  
Seattle, Washington

***Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' 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 consolidated 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 Seattle's Union Gospel Mission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Seattle's Union Gospel Mission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Trustees  
Seattle's Union Gospel Mission  
Seattle, Washington

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidated statements of financial position are presented for purposes of additional analysis 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 information has been subjected to the auditing procedures applied in the audits 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. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Capin Crouse LLP*

Woodland Hills, California  
November 15, 2022

# SEATTLE'S UNION GOSPEL MISSION

## Consolidated Statements of Financial Position

	August 31,	
	2022	2021
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 13,393,661	\$ 9,728,466
Board designated operating reserve	3,438,202	3,438,202
Current portion of pledges receivable	1,069,333	-
Inventory	1,007,440	1,291,585
Investments	7,262,667	8,180,731
Asset held for sale	102,120	102,120
Prepaid expenses and other assets	122,123	393,852
	26,395,546	23,134,956
Investments held for long-term purposes	9,367,053	8,242,815
Pledges receivable, net of current portion	1,189,167	-
Cash restricted for capital projects	56,822	56,822
Land, buildings, and equipment, net	32,300,986	32,163,296
	\$ 69,309,574	\$ 63,597,889
<b>Total Assets</b>	<b>\$ 69,309,574</b>	<b>\$ 63,597,889</b>
<b>LIABILITIES AND NET ASSETS:</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,243,414	\$ 1,240,596
Refundable advances	-	54,260
Current portion of capital lease obligations	30,644	30,644
Current portion of note payable	-	47,063
Current portion of deferred liabilities	19,136	18,648
	2,293,194	1,391,211
Gift annuities payable, net of current portion	20,590	20,590
Capital lease obligations, net of current portion	26,611	50,226
Deferred liabilities	62,782	6,458
<b>Total Liabilities</b>	<b>2,403,177</b>	<b>1,468,485</b>
Net assets:		
Net assets without donor restrictions	49,511,013	50,329,633
Net assets with donor restrictions	17,395,384	11,799,771
<b>Total Net Assets</b>	<b>66,906,397</b>	<b>62,129,404</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 69,309,574</b>	<b>\$ 63,597,889</b>

See notes to consolidated financial statements

# SEATTLE'S UNION GOSPEL MISSION

## Consolidated Statements of Activities

	Year Ended August 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions:						
Catalyst event	\$ 629,144	\$ -	\$ 629,144	\$ 1,745,450	\$ -	\$ 1,745,450
Less: costs of direct benefits to donors	(203,994)	-	(203,994)	(155,320)	-	(155,320)
Special event support-net	425,150	-	425,150	1,590,130	-	1,590,130
Individuals	13,429,768	9,135,987	22,565,755	10,397,428	4,205,723	14,603,151
Churches	338,519	-	338,519	283,165	-	283,165
Companies	1,139,470	-	1,139,470	858,328	-	858,328
Foundations	4,243,547	-	4,243,547	4,037,838	-	4,037,838
Organizations	769,275	-	769,275	5,849,690	-	5,849,690
Estates	2,269,946	-	2,269,946	2,318,657	-	2,318,657
Donated goods	3,693,734	-	3,693,734	5,074,905	-	5,074,905
Donated services	74,579	-	74,579	55,700	-	55,700
<b>Total Contributions</b>	<b>26,383,988</b>	<b>9,135,987</b>	<b>35,519,975</b>	<b>30,465,841</b>	<b>4,205,723</b>	<b>34,671,564</b>
Revenue:						
Rental income	83,521	-	83,521	68,893	-	68,893
Program fees	24,916	-	24,916	34,756	-	34,756
Investment income (loss)	(877,017)	(1,036,830)	(1,913,847)	1,925,914	1,325,361	3,251,275
Other income	83,837	-	83,837	57,946	-	57,946
<b>Total Revenue</b>	<b>(684,743)</b>	<b>(1,036,830)</b>	<b>(1,721,573)</b>	<b>2,087,509</b>	<b>1,325,361</b>	<b>3,412,870</b>
<b>RECLASSIFICATIONS:</b>						
Net assets released from restrictions	2,503,544	(2,503,544)	-	4,631,809	(4,631,809)	-
<b>Total Support and Revenue</b>	<b>28,202,789</b>	<b>5,595,613</b>	<b>33,798,402</b>	<b>37,185,159</b>	<b>899,275</b>	<b>38,084,434</b>
<b>EXPENSES:</b>						
Program services	21,488,704	-	21,488,704	20,446,904	-	20,446,904
Management and general	3,201,163	-	3,201,163	2,463,901	-	2,463,901
Fundraising	4,331,542	-	4,331,542	3,814,978	-	3,814,978
<b>Total Expenses</b>	<b>29,021,409</b>	<b>-</b>	<b>29,021,409</b>	<b>26,725,783</b>	<b>-</b>	<b>26,725,783</b>
Change in Net Assets	(818,620)	5,595,613	4,776,993	10,459,376	899,275	11,358,651
Net Assets, Beginning of Year	50,329,633	11,799,771	62,129,404	39,870,257	10,900,496	50,770,753
Net Assets, End of Year	\$49,511,013	\$17,395,384	\$66,906,397	\$50,329,633	\$11,799,771	\$62,129,404

See notes to consolidated financial statements

## SEATTLE'S UNION GOSPEL MISSION

### Consolidated Statement of Functional Expenses

Year Ended August 31, 2022

	Program Services	Supporting Activities			Total
		Management & General	Fundraising	Direct Benefits to Donors	
Salaries	\$ 9,331,315	\$ 941,878	\$ 1,650,585	\$ -	\$ 11,923,778
Employee benefits	2,048,553	565,331	128,484	-	2,742,368
Payroll taxes	636,490	59,452	102,105	-	798,047
Total personnel costs	12,016,358	1,566,661	1,881,174	-	15,464,193
In-kind gifts used	4,417,460	3,269	6,531	-	4,427,260
Professional services	753,235	164,778	1,307,053	-	2,225,066
Occupancy costs	1,691,417	68,417	27,245	27,485	1,814,564
Depreciation and amortization	570,283	855,426	251,596	-	1,677,305
Other expenses	790,797	179,352	135,484	158,775	1,264,408
Production and printing services	263,663	2,896	517,918	-	784,477
Office supplies	289,668	135,585	138,386	-	563,639
Insurance	225,691	210,178	59,660	-	495,529
Auto and truck expenses	239,410	14,552	6,217	-	260,179
Food cost	230,722	49	278	17,734	248,783
Total functional expenses	<u>\$ 21,488,704</u>	<u>\$ 3,201,163</u>	<u>\$ 4,331,542</u>	<u>\$ 203,994</u>	<u>\$ 29,225,403</u>
Less costs of direct benefit to donors netted against support on the statement of activities	-	-	-	(203,994)	(203,994)
Total expenses on the statement of activities	<u>\$ 21,488,704</u>	<u>\$ 3,201,163</u>	<u>\$ 4,331,542</u>	<u>\$ -</u>	<u>\$ 29,021,409</u>

See notes to consolidated financial statements

## SEATTLE'S UNION GOSPEL MISSION

### Consolidated Statement of Functional Expenses

Year Ended August 31, 2021

	Program Services	Supporting Activities			Total
		Management & General	Fundraising	Direct Benefits to Donors	
Salaries	\$ 8,039,514	\$ 627,491	\$ 1,412,277	\$ -	\$ 10,079,282
Employee benefits	1,753,620	475,909	108,966	-	2,338,495
Payroll taxes	562,980	41,579	90,329	-	694,888
Total personnel costs	10,356,114	1,144,979	1,611,572	-	13,112,665
In-kind gifts used	5,615,549	3,654	3,650	-	5,622,853
Professional services	729,380	106,574	1,154,340	-	1,990,294
Occupancy costs	1,202,434	95,520	150,690	67,568	1,516,212
Depreciation and amortization	517,530	776,294	228,322	-	1,522,146
Other expenses	1,026,055	49,554	55,237	79,152	1,209,998
Production and printing services	211,041	778	429,934	-	641,753
Office supplies	309,113	79,821	120,787	-	509,721
Insurance	202,558	197,231	56,218	-	456,007
Auto and truck expenses	137,872	9,306	3,402	-	150,580
Food cost	139,258	190	826	8,600	148,874
Total functional expenses	<u>\$ 20,446,904</u>	<u>\$ 2,463,901</u>	<u>\$ 3,814,978</u>	<u>\$ 155,320</u>	<u>\$ 26,881,103</u>
Less costs of direct benefit to donors netted against support on the statement of activities	-	-	-	(155,320)	(155,320)
Total expenses on the statement of activities	<u>\$ 20,446,904</u>	<u>\$ 2,463,901</u>	<u>\$ 3,814,978</u>	<u>\$ -</u>	<u>\$ 26,725,783</u>

See notes to consolidated financial statements

# SEATTLE'S UNION GOSPEL MISSION

## Consolidated Statements of Cash Flows

	Year Ended August 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 4,776,993	\$ 11,358,651
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated inventory	(3,693,734)	(5,074,905)
Distributed inventory	3,977,879	5,266,683
Depreciation	1,677,305	1,522,146
Contributions restricted for capital projects	(1,498,000)	-
Realized and unrealized (gains) losses on investments	2,140,857	(3,042,030)
Contributions restricted for endowment	(2,499,909)	-
Pledges receivable	(2,258,500)	-
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	271,729	(271,525)
Accounts payable and accrued expenses	578,739	318,699
Refundable advances	(54,260)	54,260
Deferred liabilities	56,812	(38,735)
Net Cash Provided by Operating Activities	3,475,911	10,093,244
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of land, buildings, and equipment	(1,390,916)	(1,526,826)
Purchase of investments	(5,301,525)	(307,365)
Proceeds from sale of investments	2,954,494	308,705
Net Cash Used by Investing Activities	(3,737,947)	(1,525,486)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on capital lease obligations	(23,615)	(21,154)
Payments on notes payable	(47,063)	(135,754)
Proceeds from contributions restricted for endowment	2,499,909	-
Proceeds from contributions restricted for capital projects	1,498,000	-
Net Cash Provided (Used) by Financing Activities	3,927,231	(156,908)

(continued)

See notes to consolidated financial statements

# SEATTLE'S UNION GOSPEL MISSION

## Consolidated Statements of Cash Flows (continued)

	Year Ended August 31,	
	2022	2021
<b>CASH FLOWS FROM FINANCING ACTIVITIES, continued:</b>		
Change in Cash and Cash Equivalents, Board Designated Operating Reserve and Restricted Cash	3,665,195	8,410,850
Cash and Cash Equivalents, Board Designated Operating Reserve and Restricted Cash, Beginning of Year	13,223,490	4,812,640
Cash and Cash Equivalents, Board Designated Operating Reserve and Restricted Cash, End of Year	\$ 16,888,685	\$ 13,223,490
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Cash and cash equivalents	\$ 13,393,661	\$ 9,728,466
Board designated operating reserve	3,438,202	3,438,202
Cash restricted for capital projects	56,822	56,822
	\$ 16,888,685	\$ 13,223,490
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid during the period for interest	\$ 407	\$ 4,166
Fixed assets acquired through debt and accounts payable	\$ 424,079	\$ -

See notes to consolidated financial statements

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

1. NATURE OF ORGANIZATION:

Seattle's Union Gospel Mission (the Mission) was organized by representatives from Seattle area churches and the founding director, the Reverend Francis O. Peterson, in 1932. The Mission is managed by a Board of Trustees elected for staggered terms at the annual meeting of the Mission. The Mission is a passionate community of people who follow Christ in His relentless, redeeming love for all people. Its mission is to serve, rescue, and transform those in greatest need through the grace of Jesus Christ. Its goal is to inspire hope, bring healing, and point people to a new life through Jesus Christ by conducting rescue mission work in the City of Seattle.

A rescue mission is the church's emergency station doing what the Bible tells the church to do, "Feed the hungry, preach to the captive, clothe the naked," etc., things which the church cannot do well due to the special needs for facilities, special calling and training, and the high cost of doing it alone. The programs include emergency shelters, recovery assistance programs, day and resident camping, youth programs, counseling and jail ministry, feeding programs, and outreach programs to low income families and elderly.

The Mission is a member of the Evangelical Council for Financial Accountability (ECFA). The ECFA is an association requiring the highest standards of financial accountability and disclosures, and has become an effective national self-regulatory organization for the purpose of showing the giving public that the gifts are being spent and accounted for in a responsible manner.

The Mission is also a member of City Gate and the Christian Leadership Alliance.

The Mission's primary revenue source is contributions from donors.

The Mission is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code) and comparable state law, except for income taxes pertaining to unrelated business income, and has been classified as a publicly supported organization, which is not a private foundation, under Section 509(a) of the Code. Contributions to the Mission are tax deductible within the limitations prescribed by the Code.

### BASIS OF CONSOLIDATION

The consolidated financial statements include the financial resources and activities of each entity listed below. All material intercompany transactions and balances have been eliminated in the consolidated financial statements.

Renovo, LLC was formed in February 2015 to develop transitional housing units for women. Renovo is a fully-integrated, supporting organization within the operating structure of the Mission. The Mission is the sole member.

Federal Way Project, LLC a wholly-owned subsidiary formed in February 2018, was created to hold property held for future development in Federal Way, Washington.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements of the Mission have been prepared on the accrual basis of accounting. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant accounting policies followed are described below.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking, savings and money market accounts. Certain items that meet the definition of cash equivalents, but are part of a larger pool of investments, are included in investments. At August 31, 2022 and 2021, the Mission's cash balances (including cash held in investments) exceeded federally insured limits by approximately \$16,046,000 and \$12,618,000, respectively. The Mission has not experienced any losses on these accounts.

#### CASH HELD FOR CAPITAL PROJECTS

Contributions received that are restricted by donors for expenditures related to capital projects have been segregated from cash and cash equivalents, and shown in assets held for capital projects on the consolidated statements of financial position. The amounts for this purpose have also been recorded in net assets with donor restrictions.

#### PLEDGES RECEIVABLE

Pledges receivable, including contributions that are expected to be collected within one year are recorded at their net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount computed at 3.00%, was not recorded as it was immaterial to the financial statements as a whole. Conditional pledges are not included as support until such time as the conditions are substantially met. Unconditional pledges are reviewed for collectability and reserves for uncollectible amounts are recorded based on established policies. Management expects all pledges to be fully collectible as of August 31, 2022.

#### INVENTORY

Inventory is valued at the lower of cost or net realizable value and consists of donated goods, including food, clothing, office supplies, and other items. These items are recorded at exit transaction value upon receipt and are determined using the first-in, first-out method. There is no reserve for obsolescence recorded at August 31, 2022 and 2021, as all inventory is considered useable or saleable at lower of cost or net realizable value.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### INVESTMENTS

Investments are reported at fair value as further described in Note 15. Investment income is shown net of investment expenses on the consolidated statements of activities and is included in investment income without donor restrictions unless a donor or law temporarily or permanently restricts their use. Donated securities are recorded at fair value on the date of gift.

#### LAND, BUILDINGS, AND EQUIPMENT

Purchased land, buildings, and equipment in excess of \$1,000 are recorded at cost or, if donated, at fair value on the date of the donation. Buildings and equipment are depreciated on a straight-line basis over their estimated useful lives, ranging from 4 to 50 years. Property donated with restrictions regarding their use and contributions of cash to acquire property are reported as support with donor restrictions. Absent any donor stipulations, these restrictions expire when the asset is placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time.

#### REFUNDABLE ADVANCES

Refundable advances consist of funds received in advance for salaries and benefits for staff at the Mission's men's shelter. These conditional promises to give are recognized as a refundable advance until the conditions of the agreement have been substantially met. Once the conditions are substantially met, the funds are recognized as contributions with donor restrictions and subsequently released from restriction.

#### GIFT ANNUITIES PAYABLE

The Mission administers gift annuities for which it is obligated to make periodic distributions to designated beneficiaries. A portion of the transfer to the Mission is considered to be a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the discounted liability for future payments, determined on an actuarial basis, is recognized as contribution income without donor restrictions at the date of the gift unless the gift portion is restricted. The actuarial liability totaled \$22,000 at August 31, 2022 and 2021. The revaluation as of August 31, 2022 was not recorded due to being immaterial to the financial statements as a whole. Net present values are calculated using the applicable federal discount rate at the date of the gift. The annuity liability is revalued annually based upon actuarially computed present values. Annuity assets are included with investments in the consolidated statements of financial position.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CLASSES OF NET ASSETS

The Mission uses the accrual basis of accounting and recognizes the existence or absence of donor-imposed restrictions. Accordingly, transactions and net assets are classified into two classes described as follows:

*Net assets without donor restrictions* include general and Board designated amounts, to be used at the discretion of the Board and management to support the Mission's purposes and operations.

*Net assets with donor restrictions* are those which are stipulated by donors for specific operating purposes or programs, those with time restrictions, those for the acquisition of land, buildings and equipment, unspent endowment earnings, or those not currently available for use in the Mission's operations until commitments regarding their use have been fulfilled or lifetime beneficiary interests have ceased. These also include donor restrictions requiring the net assets be held in perpetuity as endowments.

#### SUPPORT AND REVENUE

Contributions are reported as income when made, which may be when cash is received, unconditional promises to give are made or ownership of donated assets is transferred. Bequests are recorded as income at the time when the Mission has an established right to the bequest and the proceeds are measurable. Contributions restricted by the donor for a specific purpose are recorded as revenue with donor restrictions until funds have been expended by the Mission for the purposes specified, except for long-term assets, for which net assets are released from restriction when the assets are placed in service.

#### DONATED GOODS AND SERVICES

Noncash gifts are recorded at their estimated fair value at the date of donation. For the years ended August 31, 2022 and 2021, the Mission received \$3,693,734 and \$5,074,905, respectively, in food, clothing, and supplies. Donated food items are valued based on a price per pound of \$2, as determined by a study performed by management of the Mission.

Contributed services are recognized as contributions if the services, (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Mission. The Mission recognized \$74,579 and \$55,700, of donated services for medical, dental and legal services provided during the years ended August 31, 2022 and 2021, respectively.

In addition to contributed services recorded in the consolidated financial statements, many other individuals routinely provide voluntary services to the overall programs of the Mission. These services have a significant impact on making the Mission effective. However, the value of these services is not reflected in the consolidated financial statements because they do not meet the criteria described above.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

### FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy, which are allocated on a square footage basis, as well as salaries and benefits, travel, and certain office expenses, which are allocated on the basis of estimates of time and effort.

### CATALYST EVENT

Catalyst is the Mission's annual fundraising gala event. The event is held every year in October as part of the Mission's fall fundraising efforts and is designed to raise non-designated monies through ticket sales, principal and table sponsorships, auction items, and individual gifts from attendees. Catalyst event program revenue and expenses are recognized at the time the event occurs. Event program revenue received prior to the event is recorded as deferred revenue. Event expenses paid prior to the event are recorded as prepaid expenses.

### RECENTLY ADOPTED ACCOUNTING STANDARDS

During the year ended August 31, 2022, the Mission adopted Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958 of the FASB Accounting Standards Codification). ASU 2020-07 increases transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. See Note 9.

3. PLEDGES RECEIVABLE:

Pledges receivable consist entirely of pledges receivable before discount for present value of cash flows at year end August 31, 2022. The discount was not applied as it was immaterial to the financial statements as a whole.

Amounts as of August 31, 2022, are due in:

Less than one year	\$ 1,069,333
One to five years	<u>1,189,167</u>
	<u>\$ 2,258,500</u>

Based on past history and assessment of the donors involved, management expects all of the pledges be collected as promised. Therefore, no allowance for uncollectible pledges receivable has been established.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

4. INVESTMENTS:

Investments consist of the following:

	August 31,	
	2022	2021
Cash and cash equivalents	\$ 223,891	\$ 316,793
Common stocks	4,709,934	4,079,273
Mutual funds	11,695,895	12,027,480
	<u>\$ 16,629,720</u>	<u>\$ 16,423,546</u>

Investment income consists of the following:

	August 31,	
	2022	2021
Interest and dividends	\$ 289,022	\$ 215,011
Realized gains (losses)	622,497	356,884
Unrealized gains (losses)	(2,825,366)	2,679,380
	<u>\$ (1,913,847)</u>	<u>\$ 3,251,275</u>

Endowment assets were \$9,367,053 and \$8,242,815, of the total investment balance as of August 31, 2022 and 2021, respectively.

Annuity assets were \$119,078 and \$145,625, of the total investment balance as of August 31, 2022 and 2021, respectively.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

5. LAND, BUILDINGS, AND EQUIPMENT, NET:

Land, buildings, and equipment, net consists of the following:

	August 31,	
	2022	2021
Land and improvements	\$ 4,227,935	\$ 4,192,964
Buildings and facilities	40,710,654	39,672,122
Equipment and vehicles	2,658,575	2,144,830
Leasehold improvements	217,654	217,654
	<u>47,814,818</u>	<u>46,227,570</u>
Construction in progress	525,962	298,215
Less accumulated depreciation and amortization	<u>(16,039,794)</u>	<u>(14,362,489)</u>
	<u>\$ 32,300,986</u>	<u>\$ 32,163,296</u>

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

6. NOTE PAYABLE:

Note payable consists of the following:

	August 31,	
	2022	2021
Note payable to First Sound Bank, with monthly interest and principal installments of \$11,723. The interest rate is fixed at 4.0% through the due date of the loan. The note was paid in November 2021 and was secured by real property owned by the Mission.	\$ -	\$ 47,063

Total interest costs incurred, including amounts incurred on the line of credit (Note 7), were \$407 and \$4,922, for the years ended August 31, 2022 and 2021, respectively. No interest was capitalized during the years ended August 31, 2022 and 2021.

Long-term debt agreements contained certain financial and administrative covenants. The Mission was in compliance with all covenants as of August 31, 2022 and 2021, respectively.

7. LINE OF CREDIT:

The Mission has a revolving line of credit with a bank, allowing for maximum borrowings of \$3,000,000, of which \$0 was outstanding at August 31, 2022 and 2021. Interest on the line of credit is paid monthly at the prime rate less 0.5%, with a floor of 3.75% (prime rate was 5.5% at August 31, 2022). This line of credit is secured by investment assets of the Mission, and expires in June 2023. The Mission did not draw on the line of credit in either of the years ended August 31, 2022 and 2021. The line of credit contains certain financial and administrative covenants. The Mission was in compliance with those covenants as of August 31, 2022 and 2021, respectively.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

8. NET ASSETS:

Net assets consist of the following:

	August 31,	
	2022	2021
Net assets without donor restrictions:		
Undesignated	\$ 46,072,811	\$ 46,891,431
Board-designated general reserve	3,438,202	3,438,202
Total net assets without donor restrictions	49,511,013	50,329,633
Net assets with donor restrictions:		
Subject to expenditure for specified purpose:		
Capital projects	56,822	56,822
Mental health services	1,720,970	-
Intake optimization	500,000	-
COVID-19 relief	3,122	11,217
Subject to the passage of time:		
Pledges receivable	1,545,000	-
Continued program use, invested in property and equipment	3,488,917	3,488,917
Subject to time and specified purpose restrictions:		
Pledges receivable restricted for capital projects	498,000	-
Pledge receivable restricted for mental health services	215,500	-
	8,028,331	3,556,956
Subject to the Mission's spending policy and appropriations:		
Accumulated earnings on endowment funds	743,130	2,118,802
Endowment funds restricted in perpetuity	8,623,923	6,124,013
	9,367,053	8,242,815
Total net assets with donor restrictions	17,395,384	11,799,771
Total net assets	\$ 66,906,397	\$ 62,129,404

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

8. NET ASSETS, continued:

The Mission has been awarded three separate loans from the Federal Home Loan Bank Board for a total of \$3,488,917 that are to be used or have been used for renovation and rehabilitation of the Mission's facilities. One loan in the amount of \$1,000,000 is forgivable in March 2024, and the second and third loans in the amounts of \$2,000,000 and \$488,917, respectively, are forgivable 15 years after the completion of the Men's Shelter renovation. The first phase of the Men's Shelter renovation, which was funded by the \$2,000,000 loan, was completed in 2019; therefore, the loan will be forgiven in 2034. The second phase of the Men's Shelter renovation, which is being funded by the \$488,917 loan, is in progress as of August 31, 2022. The loans are forgivable if certain compliance terms, primarily continued use of the facilities for their intended purposes, are met during the time each loan is outstanding. As management considers the possibility of any repayment remote, the amounts have been recorded as revenue with donor restrictions and net assets with donor restrictions in the year the loans were awarded. It is the Mission's policy to recognize the release of net assets with donor restrictions once the compliance terms of the loans have ended.

The donors of the gifts restricted in perpetuity permit the use of all or part of the earnings from endowment assets for general or specific purposes.

9. DONATED GOODS AND SERVICES:

Donated food and services for the fiscal years ended August 31, 2022 and 2021, included in the consolidated financial statements, were as follows:

	August 31,	
	2022	2021
Dental services	\$ 64,379	\$ 40,700
Legal services	10,200	15,000
Gift cards	6,329	-
Food	1,270,007	4,508,353
Supplies (personal protective equipment, hygiene, paper products, office)	374,433	468,865
Blankets, linens and bath towels	284,989	73,824
Toys	57,267	10,857
Tickets	19,175	2,273
Turkeys	39,220	10,733
Clothing	1,260,926	-
Furniture and household items	381,388	-
	<u>\$ 3,768,313</u>	<u>\$ 5,130,605</u>

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

9. DONATED GOODS AND SERVICES, continued:

The categories listed above are the main line items used in reporting in-kind contributions. These contributions are not donor restricted. All donated services were utilized in program activities during the years ended August 31, 2022 and 2021. Donated goods were utilized in all programs, provided to the Mission's partner organizations to distribute the goods to those in need, or remained in ending inventory, to be utilized in future years.

The Mission reports the fair value of donated food, property, and other noncash donations over which the Mission has control as public support at their estimated fair value as of the date of donation. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Mission.

10. ENDOWMENT FUNDS:

The Mission's endowment consists of 5 funds established for a variety of purposes. Its endowment consists of funds in which the corpus has been restricted by the donors in perpetuity. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 Mission classifies net assets restricted in perpetuity as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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 portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as net assets restricted by purpose or time until those amounts are appropriated for expenditure by the Mission in a manner consistent with the standard of prudence prescribed by UPMIFA.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

10. ENDOWMENTS FUNDS, continued:

In accordance with UPMIFA, the Mission considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Endowment net assets consist of the following:

	August 31,	
	2022	2021
Endowment funds restricted in perpetuity	\$ 8,623,923	\$ 6,124,013
Accumulated earnings on endowment funds	743,130	2,118,802
	\$ 9,367,053	\$ 8,242,815

Changes in endowment net assets for the year ended August 31, 2022:

	Accumulated Earnings	Restricted in Perpetuity	Total
Endowment net assets, beginning of year	\$ 2,118,802	\$ 6,124,013	\$ 8,242,815
Contributions	-	2,499,910	2,499,910
Investment loss, net	(1,036,830)	-	(1,036,830)
Amounts appropriated for expenditure	(338,842)	-	(338,842)
Endowment net assets, end of year	\$ 743,130	\$ 8,623,923	\$ 9,367,053

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

10. ENDOWMENTS FUNDS, continued:

Changes in endowment net assets for the year ended August 31, 2021:

	<u>Accumulated Earnings</u>	<u>Restricted in Perpetuity</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,040,996	\$ 6,124,013	\$ 7,165,009
Investment return, net	1,325,361	-	1,325,361
Amounts appropriated for expenditure	<u>(247,555)</u>	<u>-</u>	<u>(247,555)</u>
Endowment net assets, end of year	<u>\$ 2,118,802</u>	<u>\$ 6,124,013</u>	<u>\$ 8,242,815</u>

### FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Mission to retain as a fund of perpetual duration. There were no funds with deficiencies as of August 31, 2022 and 2021.

### RETURN OBJECTIVES AND RISK PARAMETERS

The Mission has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). The Mission expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

### STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objectives, the Mission relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

10. ENDOWMENTS FUNDS, continued:

**SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY**

For the year ending August, 31, 2022, the Mission set apart for distribution 5.00% of the average value of the three previous fiscal year's beginning-period endowment values. In establishing this percentage, the Mission considers the long-term anticipated return on its endowment. This is consistent with the Mission's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

11. OPERATING LEASES:

In June 2013, the Mission entered into an agreement to lease warehouse space in Kent, Washington, with a lease term ending January 31, 2026. The monthly base rent ranges from \$16,040 to \$33,113, over the period of the lease term. In addition, the Mission is obligated to pay its pro rata share of the building's operating expenses, taxes, and insurance. Rent expense resulting from this lease was \$365,250 and \$300,740, for the years ended August 31, 2022 and 2021, respectively.

The Mission also has lease agreements for office equipment and use of facilities. These leases have various expiration dates through July 2025. Rental payments related to these leases totaled \$127,165 and \$127,456, for the years ended August 31, 2022 and 2021, respectively.

Future minimum annual payments due under the terms of these lease agreements are as follows:

<u>Year ending August 31,</u>	
2023	\$ 497,596
2024	438,951
2025	<u>427,890</u>
	<u>\$ 1,364,437</u>

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

### 12. CAPITAL LEASE OBLIGATIONS:

The Mission has capital lease agreements for a vehicle and office equipment. The leases have various expiration dates through April 2025 and require monthly payments totaling \$2,554. The vehicle and office equipment and related accumulated amortization for the year ended August 31, 2022, are as follows:

Equipment and vehicles	\$	149,495
Less accumulated amortization		<u>(102,621)</u>
Net book value	\$	<u><u>46,874</u></u>

Future minimum annual payments under the terms of capital lease agreements are as follows:

<u>Year ending August 31,</u>		
2023	\$	30,644
2024		20,942
2025		<u>11,806</u>
		63,392
Less amount representing interest		<u>(6,137)</u>
Present value of minimum capital lease payments	\$	<u><u>57,255</u></u>

### 13. RETIREMENT PLAN:

The Mission has established a defined contribution retirement plan. Participation in the plan is voluntary. Participants are eligible to contribute salary reductions on their first day of employment. Participants are eligible for employer contributions when they have completed 90 days of service, work at least 37.5 hours per week, and have attained age 21. The Mission will match 50% of each participant's contribution, up to 4% of the participant's salary. For the years ended August 31, 2022 and 2021, the Mission contributed \$148,095 and \$129,532, respectively, to the plan.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

14. ALLOCATION OF JOINT COSTS:

The Mission conducts activities that involve a combination of fundraising and program activities. These activities are related to newspaper print ads. Total joint costs for the years ended August 31, 2022 and 2021 were \$733,256 and \$619,412, respectively. Of those costs, \$234,642 and \$198,212 were allocated to program, and \$498,614 and \$421,200 were allocated to fundraising for fiscal years 2022 and 2021, respectively.

15. FAIR VALUE MEASUREMENTS:

The Mission has adopted the provisions of the Fair Value Measurements and Disclosure topic of the FASB Accounting Standards Codification. These standards define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. Fair value is defined under the standards as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market between market participants on the measurement date.

The fair values of investments are based on the framework established in the standards which establishes a three-level hierarchy for determining fair value. The valuations for each of these levels are determined as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Mission uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Mission measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

15. FAIR VALUE MEASUREMENTS, continued:

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall:

	August 31, 2022	
	Fair Value	Level 1
Investments held at fair value:		
Common stocks	\$ 4,709,934	\$ 4,709,934
Mutual funds:		
Equity	6,886,921	6,886,921
Fixed income	4,808,974	4,808,974
Total investments held at fair value	16,405,829	<u>\$ 16,405,829</u>
Investments held at cost:		
Cash and cash equivalents	223,891	
Total investments	<u>\$ 16,629,720</u>	
	August 31, 2021	
	Fair Value	Level 1
Investments held at fair value:		
Common stocks	\$ 4,079,273	\$ 4,079,273
Mutual funds:		
Equity	7,485,303	7,485,303
Fixed income	4,542,177	4,542,177
Total investments held at fair value	16,106,753	<u>\$ 16,106,753</u>
Investments held at cost:		
Cash and cash equivalents	316,793	
Total investments	<u>\$ 16,423,546</u>	

16. RELATED PARTY TRANSACTIONS:

The Mission's Board of Trustees contributed, or unconditionally promised to give, approximately \$1,048,000 and \$380,000, during the years ended August 31, 2022 and 2021, respectively.

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

17. CONCENTRATION RISK:

During the year ended August 31, 2021, the Mission received \$5,008,000, of contributions from one individual, which makes up approximately 17% of total contributions for the year then ended. There was no concentration for the year ended August 31, 2022.

18. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Mission's financial assets, reduced by amounts not available for general expenditure because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial position date.

	August 31,	
	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 16,831,863	\$ 13,166,668
Pledges receivable	2,258,500	-
Investments	16,629,720	16,423,546
Cash held for capital projects	56,822	56,822
Financial assets, at year-end	35,776,905	29,647,036
Less those unavailable for general expenditure within one year, due to:		
Investments held for gift annuity reserves	(22,000)	(22,000)
Donor-imposed purpose restrictions	(2,277,792)	(56,822)
Board designated for general reserves	(3,438,202)	(3,438,202)
Time restricted pledges	(1,146,667)	-
Time restricted pledges with donor-imposed restrictions subject to passage of time beyond one year	(442,500)	-
Perpetual endowments and accumulated earnings subject to appropriation beyond one year	(9,001,121)	(8,018,515)
Financial assets available to meet cash needs for general expenditures within one year	\$ 19,448,623	\$ 18,111,497

# SEATTLE'S UNION GOSPEL MISSION

## Notes to Consolidated Financial Statements

August 31, 2022 and 2021

18. LIQUIDITY AND FUNDS AVAILABLE, continued:

The Mission is substantially supported by contributions some of which are with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Mission must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of its liquidity management, the Mission has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board has set a policy that requires the Mission to begin each calendar year with 25% of that year's budgeted expenses in liquid cash and cash equivalents. The Mission also has a revolving line of credit with a bank, allowing for maximum borrowings of \$3,000,000, of which \$3,000,000 was available at August 31, 2022 and 2021. Additionally, the Mission has Board designated net assets without donor restrictions that, while the Mission does not intend to spend these for purposes other than those identified, upon Board approval they could be made available for current operations, if necessary.

19. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 15, 2022, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

## **SUPPLEMENTAL INFORMATION**



**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTAL INFORMATION**

Board of Trustees  
Seattle's Union Gospel Mission  
Seattle, Washington

We have audited the consolidated financial statements of Seattle's Union Gospel Mission as of and for the year ended August 31, 2022, and our report dated November 15, 2022, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. 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 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position of the individual organizations, and they 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. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Capin Crouse LLP*

Woodland Hills, California  
November 15, 2022

# SEATTLE'S UNION GOSPEL MISSION

## Supplemental Consolidating Statement of Financial Position

August 31, 2022

	Seattle's Union Gospel Mission	Renovo, LLC	Federal Way Project, LLC	Eliminations	Total
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$ 16,831,863	\$ -	\$ -	\$ -	\$ 16,831,863
Current portion of pledges receivable	1,069,333	-	-	-	1,069,333
Inventory	1,007,440	-	-	-	1,007,440
Asset held for sale	102,120	-	-	-	102,120
Prepaid expenses and other assets	122,123	-	-	-	122,123
	19,132,879	-	-	-	19,132,879
Investments	16,629,720	-	-	-	16,629,720
Cash held for capital projects	56,822	-	-	-	56,822
Pledges receivable, net of current portion	1,189,167	-	-	-	1,189,167
Land, buildings, and equipment, net	29,887,583	1,213,403	1,200,000	-	32,300,986
<b>Total Assets</b>	<b>\$ 66,896,171</b>	<b>\$ 1,213,403</b>	<b>\$ 1,200,000</b>	<b>\$ -</b>	<b>\$ 69,309,574</b>
<b>LIABILITIES AND NET ASSETS:</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 2,243,414	\$ -	\$ -	\$ -	\$ 2,243,414
Refundable advances	-	-	-	-	-
Current portion of capital lease obligations	30,644	-	-	-	30,644
Current portion of note payable	-	-	-	-	-
Current portion of deferred liabilities	19,136	-	-	-	19,136
	2,293,194	-	-	-	2,293,194
Gift annuities payable, net of current portion	20,590	-	-	-	20,590
Capital lease obligations, net of current portion	26,611	-	-	-	26,611
Deferred liabilities	62,782	-	-	-	62,782
<b>Total Liabilities</b>	<b>2,403,177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,403,177</b>
Net assets:					
Net assets without donor restrictions	47,097,610	1,213,403	1,200,000	-	49,511,013
Net assets with donor restrictions	17,395,384	-	-	-	17,395,384
<b>Total Net Assets</b>	<b>64,492,994</b>	<b>1,213,403</b>	<b>1,200,000</b>	<b>-</b>	<b>66,906,397</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 66,896,171</b>	<b>\$ 1,213,403</b>	<b>\$ 1,200,000</b>	<b>\$ -</b>	<b>\$ 69,309,574</b>

# SEATTLE'S UNION GOSPEL MISSION

## Supplemental Consolidating Statement of Financial Position

August 31, 2021

	Seattle's Union Gospel Mission	Renovo, LLC	Federal Way Project, LLC	Eliminations	Total
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$ 13,166,668	\$ -	\$ -	\$ -	\$ 13,166,668
Inventory	1,291,585	-	-	-	1,291,585
Asset held for sale	102,120	-	-	-	102,120
Prepaid expenses and other assets	393,852	-	-	-	393,852
	<u>14,954,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,954,225</u>
Investments	16,423,546	-	-	-	16,423,546
Cash held for capital projects	56,822	-	-	-	56,822
Land, buildings, and equipment, net	29,721,994	1,241,302	1,200,000	-	32,163,296
	<u>29,721,994</u>	<u>1,241,302</u>	<u>1,200,000</u>	<u>-</u>	<u>32,163,296</u>
Total Assets	<u>\$ 61,156,587</u>	<u>\$ 1,241,302</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ 63,597,889</u>
<b>LIABILITIES AND NET ASSETS:</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 1,240,596	\$ -	\$ -	\$ -	\$ 1,240,596
Refundable advances	54,260	-	-	-	54,260
Current portion of capital lease obligations	30,644	-	-	-	30,644
Current portion of note payable	47,063	-	-	-	47,063
Current portion of deferred liabilities	18,648	-	-	-	18,648
	<u>1,391,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,391,211</u>
Gift annuities payable, net of current portion	20,590	-	-	-	20,590
Capital lease obligations, net of current portion	50,226	-	-	-	50,226
Deferred liabilities	6,458	-	-	-	6,458
Total Liabilities	<u>1,468,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,468,485</u>
Net assets:					
Net assets without donor restrictions	47,888,331	1,241,302	1,200,000	-	50,329,633
Net assets with donor restrictions	11,799,771	-	-	-	11,799,771
Total Net Assets	<u>59,688,102</u>	<u>1,241,302</u>	<u>1,200,000</u>	<u>-</u>	<u>62,129,404</u>
Total Liabilities and Net Assets	<u>\$ 61,156,587</u>	<u>\$ 1,241,302</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ 63,597,889</u>