

**Temps To The Rescue, Inc.**

Financial Statements

December 31, 2018

Temps To The Rescue, Inc.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENTS	
Statement of financial position	3
Statement of activities	4
Statement of cash flows	5
Notes to financial statements	6-8



B. DANE BYERS, CPA, PLLC

INDEPENDENT AUDITOR'S REPORT

July 27, 2019

To the Board of Directors  
Temps to The Rescue, Inc.  
Durham, North Carolina

I have audited the statement of financial position of Temps to The Rescue, Inc, (the "Organization"), as of December 31, 2018 and the related statement of activities and changes in net assets and cash flow for the year then ended.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit, I conducted my audit in accordance with accounting principles generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provided a basis for my audit opinion.

***Opinion***

In my opinion, the statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2018 and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***B. Dane Byers, CPA***

CERTIFIED PUBLIC ACCOUNTANT  
ACCREDITED IN BUSINESS VALUATION  
CERTIFIED IN FINANCIAL FORENSICS

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Temps To The Rescue, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2018

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 573,072
Accounts receivable	62,669
Prepaid expenses	<u>5,560</u>
Total current assets	<u>641,301</u>
Total assets	<u><u>\$ 641,301</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 4,676
Employee savings	<u>181,100</u>
Total current liabilities	<u>185,776</u>
NET ASSETS	
Net assets without donor restrictions	<u>455,525</u>
	<u><u>\$ 641,301</u></u>

See accompanying notes and independent auditor's report

Temps To The Rescue, Inc.

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues and support	
Labor income	\$ 2,058,144
Interest income	51
Other income	<u>1,997</u>
Total revenues and support	<u>2,060,192</u>
Expenses	
Program expenses	
Salaries and wages, taxes and benefits	\$ 1,540,851
Donations	<u>300,000</u>
Total program	<u>1,840,851</u>
General and administrative	
Bad debt	920
Fees	5,913
Insurance	112,941
Professional fees	22,245
Office expense	2,575
Rent	12,000
Telephone	<u>180</u>
Total general and administrative	<u>156,774</u>
Total expenses	<u>1,997,625</u>
Change in net assets without donor restrictions	62,567
NET ASSETS, beginning of year	<u>392,958</u>
NET ASSETS, end of year	<u>\$ 455,525</u>

See accompanying notes and independent auditor's report

Temps To The Rescue, Inc.

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 62,567
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(28,079)
Prepaid expenses	1,495
Increase (decrease) in:	
Accounts payable	617
Employee savings	47,624
Net cash provided by operating activities	<u>84,224</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>\$ -</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>\$ -</u>
Net increase in cash and cash equivalents	84,224
Cash and cash equivalents, beginning of year	<u>488,848</u>
Cash and cash equivalents, end of year	<u><u>\$ 573,072</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash payments for:	
Interest	<u>\$ -</u>
Income taxes	<u><u>\$ -</u></u>

See accompanying notes and independent auditor's report

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies

Temps to the Rescue, Inc. (“the Company”) was organized in November 2000, with the purpose of facilitating the transition of Durham Rescue Mission residents into society by assisting them in obtaining and maintaining jobs. Through guidance provided by the Company staff, employees are placed in temporary positions with partnering companies, from post-secondary institutions to construction contractors, in the Triangle.

A Summary of the Association's Significant Accounting Policies follows:

Basis of Accounting

The financial statements for the Company have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). This requires that not-for-profit organizations provide a statement of financial position, a statement of activities, and a statement of cash flows. Also, the Statement requires classification of an organization’s net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions (net assets without donor restrictions and net assets with donor restrictions). As of December 31, 2018, all of the Company’s net assets are considered without donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with an initial maturity of three months to be cash equivalents.

Accounts Receivable

In determining the allowance for uncollectible accounts receivable, management uses an estimate that approximates accounting principles generally accepted in the United States of America. As of December 31, 2018 the Company has recorded an allowance of zero for bad debts as management considers all accounts receivable to be collectible at year end.

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Company primarily derives its revenues from temporary staffing to local businesses throughout the greater Triangle area. The Company recognizes revenue at the time employees renders services, based on completed timesheets. The Company recognizes revenue in the month services are rendered.

Income Taxes

The Company is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. During the year ending December 31, 2018, the Company did not have any income that management believes is subject to taxation as unrelated business income.

The Company reports uncertain tax position under ASC 740-10-50-15(a). Management believes it has no substantial uncertain tax positions for the year ending December 31, 2018. Calendar years prior to 2015 remain open and subject to review by regulatory services at December 31, 2018.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were assumed in preparing the financial statements. Significant estimates typically include the collectability of accounts receivable.

Note 2. Deposits

All deposits of the Company are made in board-approved official depositories. Funds are invested in checking and savings accounts, which, at times, may exceed federally insured limits. Non-interest bearing accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution during 2018. The Company had \$138,848 that was uninsured at December 31, 2018. The Company has experienced no losses in these accounts.

NOTES TO FINANCIAL STATEMENTS

Note 3. Operating Leases

The Company has a one year non-cancelable lease on office space for use in administrative services, which started in January 2014, which automatically renews on a yearly basis. Rent expense on operating leases was \$12,000 for the period ending December 31, 2018.

Note 4. Concentrations

The Company had sales to one customer which accounted for 91% of labor revenues for the year ended December 31, 2018.

Note 5. Functional Expenses

The costs of providing various programs and support activities have been summarized on a functional basis in the statement of activities and changes in net assets and in the schedule of functional expenses. Accordingly, certain costs have been allocated among program and support services based on percentages provided by management.

Note 6. Transactions With Related Parties

The Company primarily provides labor services for Rescue Missions Ministries, Inc., which is related to the Company by common (non-controlling) board members and affiliation. Revenue from Rescue Missions Ministries totaled \$1,872,966 for the year ended December 31, 2018.

Note 7. Availability of Financial Assets

All net assets of the company are available for use within one year and have no restrictions or designations. Funds available for use total \$455,525 at December 31, 2018.

Note 8. Management's Review for Subsequent Events

Management has reviewed their financial records for subsequent events that potentially could have a material effect on the financial statements as of and for the period ending December 31, 2018. Management has conducted their review through the auditor's report date, which represents the date the financial statements were available to be issued. Based on management's search through their financial records, we are unaware of any subsequent events that have any material effect on the financial statements as of and for the year ending December 31, 2018.