



# DALLAS LIFE

NEW LIFE FOR THE HOMELESS

## **DALLAS MISSION FOR LIFE d.b.a. DALLAS LIFE**

Financial Statements  
With Independent Auditors' Report

December 31, 2015 and 2014

**DALLAS MISSION FOR LIFE**  
**d.b.a. DALLAS LIFE**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Dallas Mission for LIFE  
d.b.a. Dallas LIFE  
Dallas, Texas

We have audited the accompanying financial statements of Dallas Mission for LIFE d.b.a. Dallas LIFE which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
Dallas Mission for LIFE  
d.b.a. Dallas LIFE  
Dallas, Texas

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dallas Mission for LIFE d.b.a. Dallas LIFE as of December 31, 2015 and 2014, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Dallas, Texas  
June 23, 2016

**DALLAS MISSION FOR LIFE**  
**d.b.a. DALLAS LIFE**

**Statements of Financial Position**

	December 31,	
	2015	2014
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 772,296	\$ 975,020
Prepaid expenses	-	7,623
Accounts and contribution receivable	121,863	12,980
Gift-in-kind inventory	184,474	80,279
Cash held for endowment	50,000	50,000
Property and equipment–net	1,626,804	1,783,492
<b>Total Assets</b>	<b>\$ 2,755,437</b>	<b>\$ 2,909,394</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 63,654	\$ 67,132
Accrued expenses	10,479	35,907
	74,133	103,039
<b>Net assets:</b>		
<b>Unrestricted:</b>		
Undesignated	929,500	972,863
Equity in property and equipment	1,626,804	1,783,492
	2,556,304	2,756,355
Temporarily restricted	75,000	-
Permanently restricted–Children’s ministry	50,000	50,000
	2,681,304	2,806,355
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,755,437</b>	<b>\$ 2,909,394</b>

See notes to financial statements

**DALLAS MISSION FOR LIFE**  
**d.b.a. DALLAS LIFE**

**Statements of Activities**

	Year Ended December 31,							
	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE:</b>								
Contributions	\$ 1,799,432	\$ 125,000	\$ -	\$ 1,924,432	\$ 1,638,922	\$ -	\$ -	\$ 1,638,922
Gift-in-kind contributions	1,169,909	-	-	1,169,909	1,138,403	-	-	1,138,403
Convenience store sales	409,460	-	-	409,460	474,362	-	-	474,362
Intake revenue	292,302	-	-	292,302	247,426	-	-	247,426
Special events-net	104,167	-	-	104,167	114,358	-	-	114,358
Other income	18,093	-	-	18,093	14,294	-	-	14,294
<b>Total Support and Revenue</b>	<b>3,793,363</b>	<b>125,000</b>	<b>-</b>	<b>3,918,363</b>	<b>3,627,765</b>	<b>-</b>	<b>-</b>	<b>3,627,765</b>
<b>NET ASSETS RELEASED:</b>								
Purpose restrictions	50,000	(50,000)	-	-	-	-	-	-
<b>EXPENSES:</b>								
Program services	3,422,066	-	-	3,422,066	3,425,589	-	-	3,425,589
Supporting activities:								
Management and general	394,603	-	-	394,603	255,835	-	-	255,835
Fund-raising	226,745	-	-	226,745	405,803	-	-	405,803
<b>Total Expenses</b>	<b>4,043,414</b>	<b>-</b>	<b>-</b>	<b>4,043,414</b>	<b>4,087,227</b>	<b>-</b>	<b>-</b>	<b>4,087,227</b>
Change in Net Assets	\$ (200,051)	\$ 75,000	\$ -	\$ (125,051)	\$ (459,462)	\$ -	\$ -	\$ (459,462)
Net Assets, Beginning of Year	2,756,355	-	50,000	2,806,355	3,215,817	-	50,000	3,265,817
Net Assets, End of Year	<b>\$ 2,556,304</b>	<b>\$ 75,000</b>	<b>\$ 50,000</b>	<b>\$ 2,681,304</b>	<b>\$ 2,756,355</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 2,806,355</b>

See notes to financial statements

**DALLAS MISSION FOR LIFE**  
**d.b.a. DALLAS LIFE**

**Statements of Cash Flows**

	Year Ended December 31,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (125,051)	\$ (459,462)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	266,982	278,551
Change in operating assets and liabilities:		
Prepaid expenses	7,623	5,244
Accounts and contribution receivable	(108,883)	(12,980)
Gift-in-kind inventory	(104,195)	(25,492)
Accounts payable	(3,478)	51,247
Accrued liabilities	(25,428)	13,950
Net Cash Used by Operating Activities	(92,430)	(148,942)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(110,294)	(35,490)
Net Cash Used by Investing Activities	(110,294)	(35,490)
Net Change in Cash and Cash Equivalents	(202,724)	(184,432)
Cash and Cash Equivalents, Beginning of Year	975,020	1,159,452
Cash and Cash Equivalents, End of Year	\$ 772,296	\$ 975,020

See notes to financial statements

# **DALLAS MISSION FOR LIFE**

## **d.b.a. DALLAS LIFE**

### **Notes to Financial Statements**

December 31, 2015 and 2014

#### **1. NATURE OF ORGANIZATION:**

Dallas Mission for LIFE d.b.a. Dallas LIFE (the Organization), founded in 1954, is a Dallas corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation under Section 509(a) of the Code.

The Organization was formed to serve the homeless community of Dallas and the surrounding area with a mission to be a place where homeless men, women, and children can receive help and hope during their time of need, to be a path to recovery and self-sufficient living, and to be a promise that there is a way to begin again. To fulfill this mission the Organization has different recovery programs to meet the needs of individuals, couples, teens, children, families, those with disabilities, and the elderly. Through these recovery programs the Organization provides vocational, educational, and spiritual growth opportunities, in addition to providing food, clothing, and shelter.

The Organization's facilities includes housing for up to 700 men, women and children per day, kitchen and dining area providing 3 balanced meals per day every day of the year, chapel with daily services, library, computer training center, convenience store, and medical and dental clinics where individuals receive not only treatment but are also offered wellness classes on hygiene, nutrition, infections, etc. The Organization assists with employment referrals, graduate equivalency diploma (G.E.D.) classes, counseling services, and more.

Support and revenue is primarily received from the general public, private foundations, corporations, and churches.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash held in checking and money market accounts, and certificates of deposits with a maturity of less than 90 days. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.



**DALLAS MISSION FOR LIFE**  
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**Notes to Financial Statements**

December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**CONTRIBUTION RECEIVABLE**

The Organization received an unconditional promise to give of approximately \$50,000 during the year ended December 31, 2015, which was recognized as contributions when the promise was made. The full amount is expected to be collected within one year and management has determined that it is fully collectible and no allowance is necessary.

**GIFT-IN-KIND INVENTORY**

Gift-in-kind inventory consists of donated merchandise, such as clothing, convenience store inventory, and miscellaneous items, used in the Organization's programs. All such inventory is recorded at its estimated fair value and reported at its carrying amount thereafter. During the years ended December 31, 2015 and 2014, the Organization recognized approximately \$15,000 and \$13,000, respectively, of other income in the statements of activities for the sale of contributed clothing that was in excess of what was needed for the Organization's internal programs.

**PROPERTY AND EQUIPMENT**

Land, buildings, and equipment are stated at cost, or if donated, at fair value as of the date of the gift. Purchases or donations in excess of \$5,000 are capitalized with lesser amounts expensed. All capital assets, other than land, are depreciated using the straight-line method with useful lives ranging from 3-40 years.

**CLASSES OF NET ASSETS**

The financial statements report amounts by class of net assets:

*Unrestricted net assets* are currently available for operations under the direction of the board of directors and resources invested in property and equipment.

*Temporarily restricted net assets* are stipulated by donors for specific operating purposes, including projects and support of ministries, or for the acquisition of property and equipment.

*Permanently restricted net assets* include an endowment for which the donor has stipulated that the contribution be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or their economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose. The donors of these assets permit the use of all or part of the income earned on related investments for specific purposes.

# DALLAS MISSION FOR LIFE

## d.b.a. DALLAS LIFE

### Notes to Financial Statements

December 31, 2015 and 2014

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

##### CLASSES OF NET ASSETS, continued

Management of the Organization 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 fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of the gift donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. This will then cause the permanently restricted net assets to reflect the historical cost value of the endowment. Investment gains are recorded in unrestricted net assets if there is no donor restriction on the income and in temporarily restricted net assets if the donor placed a restriction on the income. If there are capital losses on donor restricted income, those losses will go first against the temporarily restricted endowment funds and then be recorded in the unrestricted net asset category. All future gains will go first to cover these previously recorded losses before returning to the originally intended net asset category.

The endowment asset is included in cash held for endowment in the statements of financial position as of December 31, 2015 and 2014. 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 Organization to retain as a fund of perpetual duration. As of December 31, 2015 and 2014, there were no deficiencies of this nature.

The Organization has adopted investment and spending policies designed to provide a future stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of such endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, the endowment assets will be invested in a manner that is intended, over the long-term, to provide sufficient growth to offset inflation. The actual return in any given year may vary from these amounts.

##### SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization's policy is to record support and revenue restricted for specific purposes that were received and spent in the same year as unrestricted.

# DALLAS MISSION FOR LIFE

## d.b.a. DALLAS LIFE

### Notes to Financial Statements

December 31, 2015 and 2014

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

##### SUPPORT, REVENUE, AND EXPENSES, continued

Dallas Life has a convenience store that has small products available for residents and employees to purchase, such as snacks, drinks, and food items. Convenience store sales are recognized when the products are sold. Intake revenue is the nominal fee that is collected when residents enter into programs. Intake revenue is recognized when the intake fee is received which is also when the resident receives the services. Other income is recognized when earned.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed services are recorded at the fair values of the services received. The *Not-for-Profit* topic of the Financial Accounting Standards Board Accounting Standards Codification requires recording the value of donated services that create or enhance nonfinancial assets or require specialized skills. The Organization benefits from the services of a substantial number of volunteers that donate their time and efforts generously. However, only the services that meet the criteria above have been recorded as gift-in-kind contributions on the statements of activities. During the years ended December 31, 2015 and 2014, the Organization received \$55,984 and \$50,864 respectively of contributed services from sources such as nurses and doctors in the medical and dental clinic and attorney services.

The Organization also receives a significant amount of donated clothing as discussed above under gift-in-kind inventory and donated food items. The donated food is used by the Organization to provide meals to residents and those in recovery programs. These items are valued at an estimated fair value. For the year ended December 31, 2015 and 2014, the Organization received \$729,343 and \$659,108, respectively of these items, which is included in gift-in-kind contributions on the statements of activities.

Expenses are reported when costs are incurred in accordance with the accrual basis of accounting.

**DALLAS MISSION FOR LIFE**  
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**Notes to Financial Statements**

December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**SPECIAL EVENTS**

The Organization hosted an annual luncheon, an auction (2014), and a gala (2015), event with the proceeds going to the Organization. For the years ended December 31, 2015 and 2014, the Organization had contributions totaling \$212,191 and \$240,005 which was offset by the cost of the direct benefits that donors received of \$108,024 and \$125,647 respectively.

**ALLOCATION OF EXPENSES**

The costs of providing the various program services and supporting activities have been summarized in the statements of activities. Accordingly, certain costs, such as depreciation and payroll, have been allocated among program services and supporting activities.

**UNCERTAIN TAX POSITIONS**

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in general and administrative expenses in the statement of activities. As of December 31, 2015 and 2014, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Dallas Life files information tax returns in the United States of America (U.S.) and various states. The Organization is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2012.

3. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consists of:

	December 31,	
	2015	2014
Land	\$ 265,466	\$ 265,466
Buildings and improvements	2,729,580	2,729,580
Equipment	567,492	567,492
Furniture and fixtures	266,739	266,739
Vehicles	155,169	59,904
	3,984,446	3,889,181
Accumulated depreciation	(2,357,642)	(2,105,689)
	\$ 1,626,804	\$ 1,783,492

**DALLAS MISSION FOR LIFE**  
**d.b.a. DALLAS LIFE**

**Notes to Financial Statements**

December 31, 2015 and 2014

4. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of:

	December 31, 2014	Contributions	Net assets released from restrictions	December 31, 2015
Kids life program	\$ -	\$ 125,000	\$ (50,000)	\$ 75,000
	\$ -	\$ 125,000	\$ (50,000)	\$ 75,000

5. GIFT-IN-KIND CONTRIBUTIONS:

Gift-in-kind contributions received, consist of:

	Year Ended December 31,	
	2015	2014
Food	\$ 707,515	\$ 729,343
Inventory	402,295	353,076
Services	60,099	55,984
	\$ 1,169,909	\$ 1,138,403

6. CONCENTRATION:

During the years ended December 31, 2015 and 2014, five donors provided 19% and 26% of the Organization's contributions, respectively.

7. RETIREMENT PLAN:

The Organization has a defined contribution plan. Full-time employees are eligible to participate in the plan after one year of service. Eligible employees may contribute up to 5% of eligible compensation to the plan and the Organization matches 100% of the contribution. Employer contributions for the years ended December 31, 2015 and 2014, was \$24,424 and \$14,697, respectively.

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the date of the report, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.