

BOISE RESCUE MISSION, INC.
(a nonprofit organization)

FINANCIAL STATEMENTS

Years Ended September 30, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Boise Rescue Mission, Inc.
Boise, Idaho

Reporting on the Financial Statements

We have audited the accompanying financial statements of Boise Rescue Mission, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses, 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.

Auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boise Rescue Mission, Inc. as of September 30, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Boise Rescue Mission, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 26, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harris & Co. PLLC

Meridian, Idaho
January 29, 2016

BOISE RESCUE MISSION, INC.**STATEMENTS OF FINANCIAL POSITION**

September 30, 2015

With Comparative Totals for the Year Ended September 30, 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 854,501	\$ 985,965
Certificate of deposit	0	111,538
Unconditional promise to give, net	4,425	19,814
Prepaid expenses and other assets	107,503	75,671
Inventory	181,377	340,493
Property held for sale	<u>5,940</u>	<u>5,940</u>
Total Current Assets	1,153,746	1,539,421
NON-CURRENT ASSETS		
Property and equipment, net	9,324,021	9,488,919
Security deposits	<u>10,446</u>	<u>0</u>
Total Non-Current Assets	<u>9,334,467</u>	<u>9,488,919</u>
Total Assets	<u>\$ 10,488,213</u>	<u>\$ 11,028,340</u>

See notes to financial statements.

LIABILITIES AND NET ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT LIABILITIES		
Accounts payable	\$ 97,697	\$ 96,320
Accrued payroll and related liabilities	128,823	72,594
Guest savings	45,294	40,406
Other current liabilities	300	1,509
Current portion long term debt	<u>40,520</u>	<u>38,875</u>
Total Current Liabilities	312,634	249,704
LONG TERM LIABILITIES		
Long-term debt, net of current portion	629,724	669,818
Deferred rent	<u>20,491</u>	<u>0</u>
Total Long-term Liabilities	<u>650,215</u>	<u>669,818</u>
Total Liabilities	962,849	919,522
NET ASSETS		
Unrestricted		
Board designated	100,000	100,000
Undesignated	<u>8,807,025</u>	<u>9,546,686</u>
Total Unrestricted	8,907,025	9,646,686
Temporarily restricted	<u>618,339</u>	<u>462,132</u>
Total Net Assets	<u>9,525,364</u>	<u>10,108,818</u>
Total Liabilities and Net Assets	<u>\$ 10,488,213</u>	<u>\$ 11,028,340</u>

BOISE RESCUE MISSION, INC.**STATEMENTS OF ACTIVITIES****For the Year Ended September 30, 2015****With Comparative Totals for the Year Ended September 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
REVENUE AND SUPPORT				
Contributions	\$ 3,384,016	\$ 1,453,102	\$ 4,837,118	\$ 5,584,887
In-kind contributions	1,145,999		1,145,999	1,444,346
Program fees	69,975		69,975	82,714
Special events	36,708		36,708	22,196
Miscellaneous income	46,941		46,941	55,290
Loss on sale of assets	(14,312)		(14,312)	(46,404)
Investment income	<u>1,568</u>		<u>1,568</u>	<u>742</u>
	4,670,895	1,453,102	6,123,997	7,143,771
Net assets released from restrictions	<u>1,296,895</u>	<u>(1,296,895)</u>	<u>0</u>	<u>0</u>
Total Revenue	5,967,790	156,207	6,123,997	7,143,771
EXPENSES				
Program services				
Boise men's program	1,443,469		1,443,469	1,382,893
Women and children	1,613,652		1,613,652	1,498,126
Nampa women's program	435,002		435,002	261,843
Nampa men's program	1,006,342		1,006,342	997,019
Thrift Store program	<u>84,033</u>		<u>84,033</u>	<u>0</u>
Total Program Services	4,582,498		4,582,498	4,139,881
Supporting services				
General and administrative	1,014,654		1,014,654	919,337
Communications	<u>1,110,299</u>		<u>1,110,299</u>	<u>1,148,330</u>
Total Supporting Services	<u>2,124,953</u>		<u>2,124,953</u>	<u>2,067,667</u>
Total Expenses	<u>6,707,451</u>		<u>6,707,451</u>	<u>6,207,548</u>
Increase (Decrease) in Net Assets	(739,661)	156,207	(583,454)	936,223
NET ASSETS, Beginning of Year	<u>9,646,686</u>	<u>462,132</u>	<u>10,108,818</u>	<u>9,172,595</u>
NET ASSETS, End of Year	<u>\$ 8,907,025</u>	<u>\$ 618,339</u>	<u>\$ 9,525,364</u>	<u>\$ 10,108,818</u>

See notes to financial statements.

BOISE RESCUE MISSION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

**For the Year Ended September 30, 2015
With Comparative Totals for the Year Ended September 30, 2014**

	Boise Men's Program	Boise Women & Children	Nampa Women's Program	Nampa Men's Program	Thrift Store Program
Salaries	\$ 570,159	\$ 710,378	\$ 235,152	\$ 350,689	\$ 3,942
Payroll taxes	60,663	89,394	15,294	38,118	256
Employee benefits	40,838	73,205	13,740	56,819	351
Supplies and services	485,089	455,256	115,383	367,473	14,992
Communication					7,888
Depreciation	64,432	59,352	12,939	58,772	1,393
Utilities and phone	88,454	70,317	20,204	49,491	3,493
Program expenses	59,864	41,486	3,929	27,464	1,045
Office expense	13,144	15,216	5,397	8,108	70
Insurance	20,616	38,077	7,799	22,761	
Building maintenances	36,118	32,315	2,625	14,138	20,063
Interest					
Professional services	49	98			5,980
Transportation	3,426	26,927	1,969	11,407	3,587
Fundraising					
Dues and membership	394	469	394	649	502
Miscellaneous					
Rent		300			20,471
Professional development	223	862	177	453	
Total	\$ 1,443,469	\$ 1,613,652	\$ 435,002	\$ 1,006,342	\$ 84,033

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Total Program Services	General and Administrative	Communications	Total Supporting Services	2015 Total	2014 Total
\$ 1,870,320	\$ 438,387	\$ 332,030	\$ 770,417	\$ 2,640,737	\$ 2,255,367
203,725	31,558	30,286	61,844	265,569	1,514,670
184,953	87,533	52,628	140,161	325,114	609,923
1,438,193	70,769	34,624	105,393	1,543,586	429,859
7,888		583,314	583,314	591,202	319,776
196,888	141,487	5,049	146,536	343,424	272,051
231,959	40,789	3,639	44,428	276,387	218,882
133,788	12,510	20,742	33,252	167,040	128,942
41,935	24,720	33,435	58,155	100,090	119,026
89,253	28,200	678	28,878	118,131	92,402
105,259	2,545	52	2,597	107,856	81,213
	27,869		27,869	27,869	69,994
6,127	47,164	90	47,254	53,381	35,047
47,316	43,202	7,977	51,179	98,495	29,134
	10,811		10,811	10,811	10,385
2,408	4,503	4,030	8,533	10,941	5,651
					999
20,771				20,771	291
1,715	2,607	1,725	4,332	6,047	13,936
<u>\$ 4,582,498</u>	<u>\$ 1,014,654</u>	<u>\$ 1,110,299</u>	<u>\$ 2,124,953</u>	<u>\$ 6,707,451</u>	<u>\$ 6,207,548</u>

BOISE RESCUE MISSION, INC.**STATEMENTS OF CASH FLOWS**

For the Year Ended September 30, 2015
With Comparative Totals for the Year Ended September 30, 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (583,454)	\$ 936,223
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	343,424	319,776
Donation of assets and investments	(3,500)	(6,483)
Donations for construction or purchase of long-lived assets	0	(956,573)
Realized loss on investments	1,018	1,276
Loss on sale of assets	14,077	46,404
Changes in operating assets and liabilities:		
Receivables	15,389	122,744
Prepaid expenses and other assets	(31,832)	(20,284)
Inventory	159,116	(140,354)
Security deposits	(10,446)	0
Accounts payable	1,377	(109,940)
Deferred rent	20,491	0
Accrued payroll and related liabilities	56,229	(23,896)
Guest savings	4,888	(1,612)
Other current liabilities	<u>(1,209)</u>	<u>(1,515)</u>
Net Cash Provided by (Used in) Operating Activities	(14,432)	165,766
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(200,138)	(1,455,304)
Proceeds from sale of investments	110,520	0
Reinvestment of interest and dividends	0	(2,595)
Proceeds from sale of assets	<u>11,035</u>	<u>84,273</u>
Net Cash Used in Investing Activities	(78,583)	(1,373,626)
CASH FLOWS FROM FINANCING ACTIVITIES		
Donations for construction or purchase of long-lived assets	0	956,573
Principal payments on long-term debt	<u>(38,449)</u>	<u>(36,877)</u>
Net Cash Provided by Financing Activities	<u>(38,449)</u>	<u>919,696</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(131,464)	(288,164)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>985,965</u>	<u>1,274,129</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 854,501</u>	<u>\$ 985,965</u>

See notes to financial statements.

BOISE RESCUE MISSION, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

With Comparative Totals for September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Boise Rescue Mission, Inc. (Mission) is a non-profit organization which provides meals, clothing, sleeping quarters, religious services and other related services to homeless and transient persons in Boise and Nampa, Idaho.

The Mission operates a thrift store that sells clothing and household goods to the general public. All merchandise sold through the store is acquired by donation.

Basis of Accounting

The accompany financial statements of Boise Rescue Mission, Inc. have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Mission reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

The Mission considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Mission to significant concentrations of credit risk consist principally of cash and cash equivalents, investments in certificates of deposit and money market accounts. In addition to FDIC and SPIC coverage, the Mission has a supplemental insurance on all balance held in their investment account up to \$5,000,000. At September 30, 2015 and 2014, the Mission had no uninsured balances.

BOISE RESCUE MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

With Comparative Totals for September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gain are recognized. Certificate of deposits were the only investment held at September 30, 2014. There were no investments held at September 30, 2015.

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Mission that is, in substance, unconditional. Long-term promises to give are discounted by the Mission when significant to the financial statements. The Mission has determined that the discount associated with the limited long-term pledges received is not material to the financial statements and no discount has been recorded.

The Mission establishes an allowance for doubtful accounts against receivables it believes may not be collectable. As of September 30, 2015 and 2014, the Mission believes all receivables are fully collectable and no allowance has been established.

Inventory

Inventory of food and other new items such as household items or toys donated for use in programs are included in inventory and valued at comparative thrift store value. The Mission receives a large amount of donated clothing. Clothing is recorded as a donation when used by the programs. Clothing at the warehouse is not included in inventory at the end of the year.

Property Held for Sale

Property held for sale is stated at cost or the fair market value at the date it was donated and is not depreciated. As of September 30, 2015 and 2014 the Mission has cemetery plots held for sale. When the property is sold, the Mission recognizes the gain or loss on the property.

The Mission reviews assets held for sale for impairment whenever events or changes in circumstances indicate the carrying value of the property may not be recoverable. If such assets are deemed to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value less costs to sell. No impairment was recognized for the years ended September 30, 2015 and 2014.

BOISE RESCUE MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

With Comparative Totals for September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment is stated at cost, or, if donated, at the estimated fair market value at the date of donation. All equipment with a fair market value in excess of \$5,000 and a useful life of at least one year is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to forty years. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Mission.

Compensated Absences

The Mission's regular full-time employees accrue vacation ratably during the year based on the length of employment. Employees are then awarded their annual allotment in advance at the beginning of each calendar year. A maximum of 40 hours per calendar year can be carried over to the following year, if approved, with a cumulative cap of 200 hours.

Fair Value

The Mission uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

BOISE RESCUE MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

With Comparative Totals for September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Property and Equipment and Other Program Assets

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, the Mission reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Mission reclassifies temporarily restricted net assets to unrestricted net assets at that time. For the years ended September 30, 2015 and 2014, donations of other assets valued at \$3,500 and \$6,483, respectively, were recorded in the financial statements.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, permanently or board designated support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions and grants received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. The Mission does not have any permanently restricted funds.

In-kind Contributions

Contributions of donated noncash assets are recorded at their fair values in the period received, with the exception of clothing which is recorded when used. Contributed services are reflected in the financial statements at the fair value of the service received. The contributions of services are recognized if the service received (a) creates or enhances nonfinancial assets or (b) requires specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of volunteers donated significant amounts of their time in the Mission's activities for which no amounts have been recorded in the financial statements. These volunteer services include office assistance, chapel teams, kitchen helpers and other assistance.

BOISE RESCUE MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

With Comparative Totals for September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Contributions (Continued)

The following was donated for the year ended September 30:

	<u>2015</u>	<u>2014</u>
Materials	\$ 1,125,907	\$ 1,421,852
Services	20,092	22,494

The Mission receives considerable non-cash contributions of clothing and household goods used for re-sale and operation of the thrift store. The value of these items is undeterminable until the time of sale, therefore no inventory is recorded in the Statement of Financial Position for the thrift store.

Income Taxes

The Mission is a not-for-profit organizations that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Mission may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2015 or 2014.

The Mission is classified as a church as described in Internal Revenue Code Section 170(b)(1)(A)(i) and is not required to file a tax return.

BOISE RESCUE MISSION, INC.**NOTES TO FINANCIAL STATEMENTS (Continued)****September 30, 2015****With Comparative Totals for September 30, 2014****NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)***Use of Estimates*

The Mission uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in determining the fair value of donated goods and services, and the estimated useful lives of property and equipment. Actual results could differ from those estimated.

Subsequent Events

The Mission has evaluated subsequent events through January 29, 2016, which is the date the financial statements were available to be issued.

NOTE B - CERTIFICATE OF DEPOSIT

As of September 30, 2014, the Mission had a certificate of deposit that totaled \$111,538. The certificate was issued for 36 months, maturing June 9, 2015 with an annual interest rate of 1.2%. After maturity the certificate was deposited into the Mission's Money Market account.

NOTE C - PROPERTY AND EQUIPMENT

At September 30, property and equipment consisted of the following:

	<u>2015</u>	<u>2014</u>
Land and buildings	\$ 11,032,939	\$ 10,979,085
Furniture and equipment	701,835	671,298
Office equipment	197,330	244,121
Vehicles	293,118	219,712
Construction in progress	<u>0</u>	<u>5,006</u>
	12,225,222	12,119,222
Less accumulated depreciation	<u>2,901,201</u>	<u>2,630,303</u>
Total Property and Equipment	<u>\$ 9,324,021</u>	<u>\$ 9,488,919</u>

BOISE RESCUE MISSION, INC.**NOTES TO FINANCIAL STATEMENTS (Continued)****September 30, 2015****With Comparative Totals for September 30, 2014****NOTE D - LONG-TERM DEBT**

At September 30, long term debt consisted of the following:

	<u>2015</u>	<u>2014</u>
Note payable to Wells Fargo, \$5,627 monthly, including interest at 4.15% per annum, maturing July 2018. Secured by real property.	\$ 670,244	\$ 708,693
Less current portion	<u>40,520</u>	<u>38,875</u>
	<u>\$ 629,724</u>	<u>\$ 669,818</u>

Maturities of long-term debt as of September 30, 2015 are as follows:

2016	\$ 40,520
2017	42,234
2018	<u>587,490</u>
	<u>\$ 670,244</u>

Cash paid for interest during the years ended September 30, 2015 and 2014 was \$29,079 and \$30,649 respectively.

NOTE E - TEMPORARILY RESTRICTED NET ASSETS AND BOARD DESIGNATIONS

At September 30, temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Meals	\$ 266,297	\$ 264,080
Thanksgiving	99,474	84,442
Other program specific	97,432	73,890
Thrift store	77,786	0
Veteran ministries	75,521	33,015
Learning center	<u>1,829</u>	<u>6,705</u>
	<u>\$ 618,339</u>	<u>\$ 462,132</u>

The Mission Board has designated \$100,000 as a reserve to be used for future building maintenance and repairs. The amount to be invested with the income earned to be available for current use.

BOISE RESCUE MISSION, INC.**NOTES TO FINANCIAL STATEMENTS (Continued)**

September 30, 2015

With Comparative Totals for September 30, 2014

NOTE F - INVESTMENT INCOME

Investment income consists of the following for the years ended September 30:

	<u>2015</u>	<u>2014</u>
Interest	\$ 2,586	\$ 2,018
Realized loss	<u>(1,018)</u>	<u>(1,276)</u>
	<u>\$ 1,568</u>	<u>\$ 742</u>

NOTE G - RELATED PARTY TRANSACTIONS

The Mission accepts cash and in-kind donations from board members, employees, and their families. No in-kind donations were recorded during 2015 or 2014. The Mission received cash donations totaling \$96,008 and \$313,696 during the years ended September 30, 2015 and 2014, respectively.

NOTE H - RETIREMENT PLAN

The Mission has a 403(b) plan available to all eligible employees. Participation by eligible employees is on a voluntary basis. The Mission will match 50% of the employee contribution up to \$50 per month. For the years ended September 30, 2015 and 2014, the Mission contributed \$5,731 and \$4,895, respectively, to the plan.

NOTE I - LEASES

The Mission makes monthly lease payments for office equipment and rent for the thrift store located in Nampa, Idaho. The lease payments extend through September, 2020. Future minimum lease payments are as follows:

2016	\$ 140,332
2017	129,274
2018	131,709
2019	134,145
2020	<u>57,279</u>
	<u>\$ 592,739</u>

BOISE RESCUE MISSION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2015

With Comparative Totals for September 30, 2014

NOTE J - CONTINGENCIES

A civil rights complaint alleging emergency shelters must accommodate animals that provide comfort to the disabled has been filed against the Mission with the U.S Department of Housing and Urban Development (HUD). The Mission responded to HUD in December 2011 and in October 2013, raising the jurisdictional defense that the Fair Housing Act does not apply to emergency shelters. The response is presently being evaluated by HUD. HUD may take many months to respond. The Mission intends to defend the claims vigorously. An unfavorable outcome could be material to the financial statements, but no estimate of the range of possible losses can be made at this time.