

**BOISE RESCUE MISSION, INC.**  
**(a nonprofit organization)**

**FINANCIAL STATEMENTS**

**Years Ended September 30, 2016 and 2015**

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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, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. 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, 2016, and the changes in their net assets and their cash flows for the year 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Harris & Co. PLLC*

Meridian, Idaho  
February 21, 2017

**BOISE RESCUE MISSION, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**September 30, 2016**

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

**ASSETS**

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 642,108	\$ 854,501
Investments	81,400	0
Unconditional promise to give, net	0	4,425
Prepaid expenses and other assets	104,185	107,503
Inventory	204,878	181,377
Property and other assets held for sale	<u>305,450</u>	<u>0</u>
Total Current Assets	1,338,021	1,147,806
<b>NON-CURRENT ASSETS</b>		
Property and equipment, net	9,013,529	9,324,021
Security deposits and other non-current assets	<u>16,386</u>	<u>16,386</u>
Total Non-Current Assets	<u>9,029,915</u>	<u>9,340,407</u>
Total Assets	<u>\$ 10,367,936</u>	<u>\$ 10,488,213</u>

See notes to financial statements.

## LIABILITIES AND NET ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT LIABILITIES		
Accounts payable	\$ 39,045	\$ 97,697
Accrued payroll and related liabilities	93,776	128,823
Guest savings	18,062	45,294
Other current liabilities	0	300
Current portion long term debt	<u>54,056</u>	<u>40,520</u>
Total Current Liabilities	204,939	312,634
LONG TERM LIABILITIES		
Long-term debt, net of current portion	584,742	629,724
Deferred rent	<u>28,122</u>	<u>20,491</u>
Total Long-term Liabilities	<u>612,864</u>	<u>650,215</u>
Total Liabilities	817,803	962,849
NET ASSETS		
Unrestricted		
Board designated	100,000	100,000
Undesignated	<u>9,247,132</u>	<u>8,807,025</u>
Total Unrestricted	9,347,132	8,907,025
Temporarily restricted	<u>203,001</u>	<u>618,339</u>
Total Net Assets	<u>9,550,133</u>	<u>9,525,364</u>
Total Liabilities and Net Assets	<u>\$ 10,367,936</u>	<u>\$ 10,488,213</u>

**BOISE RESCUE MISSION, INC.**

**STATEMENTS OF ACTIVITIES**

**For the Year Ended September 30, 2016  
With Comparative Totals for the Year Ended September 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 4,139,970	\$ 1,235,965	\$ 5,375,935	\$ 4,837,118
In-kind contributions	1,597,850		1,597,850	1,145,999
Program fees	65,865		65,865	69,975
Special events	21,793		21,793	36,708
Thrift store sales	394,719		394,719	0
Miscellaneous income	34,418		34,418	46,941
Loss on sale of assets	(1,511)		(1,511)	(14,312)
Investment income	<u>1,381</u>		<u>1,381</u>	<u>1,568</u>
	6,254,485	1,235,965	7,490,450	6,123,997
Net assets released from restrictions	<u>1,651,303</u>	<u>(1,651,303)</u>	<u>0</u>	<u>0</u>
Total Revenue	7,905,788	(415,338)	7,490,450	6,123,997
<b>EXPENSES</b>				
Program services				
Boise men's program	1,523,833		1,523,833	1,443,469
Women and children	1,665,886		1,665,886	1,613,652
Nampa women's program	458,349		458,349	435,002
Nampa men's program	1,027,679		1,027,679	1,006,342
Thrift Store program	<u>622,420</u>		<u>622,420</u>	<u>84,033</u>
Total Program Services	5,298,167		5,298,167	4,582,498
Supporting services				
General and administrative	971,005		971,005	1,014,654
Communications	<u>1,196,509</u>		<u>1,196,509</u>	<u>1,110,299</u>
Total Supporting Services	<u>2,167,514</u>		<u>2,167,514</u>	<u>2,124,953</u>
Total Expenses	<u>7,465,681</u>		<u>7,465,681</u>	<u>6,707,451</u>
Increase (Decrease) in Net Assets	440,107	(415,338)	24,769	(583,454)
NET ASSETS, Beginning of Year	<u>8,907,025</u>	<u>618,339</u>	<u>9,525,364</u>	<u>10,108,818</u>
NET ASSETS, End of Year	<u>\$ 9,347,132</u>	<u>\$ 203,001</u>	<u>\$ 9,550,133</u>	<u>\$ 9,525,364</u>

See notes to financial statements.

**BOISE RESCUE MISSION, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**For the Year Ended September 30, 2016  
With Comparative Totals for the Year Ended September 30, 2015**

	<b>Boise Men's Program</b>	<b>Boise Women &amp; Children</b>	<b>Nampa Nampa Program</b>	<b>Nampa Men's Program</b>	<b>Thrift Store Program</b>
Salaries	\$ 610,460	\$ 754,118	\$ 242,130	\$ 352,095	\$ 262,515
Payroll taxes	65,770	91,198	17,695	38,066	21,489
Employee benefits	54,967	94,249	11,252	79,950	50,380
Supplies and services	459,559	425,070	131,129	353,839	89,962
Communication					2,663
Depreciation	90,434	86,136	15,511	89,684	11,192
Utilities and phone	95,605	74,437	22,548	50,656	34,037
Insurance	21,464	39,048	7,384	24,885	3,804
Office expense	11,925	11,491	4,707	7,950	15,086
Program expenses	56,939	36,767	239	14,123	149
Rent					124,317
Building maintenances	51,935	34,229	4,400	9,772	2,560
Professional services		2,735			2,666
Transportation	3,430	13,414	869	6,019	693
Interest					
Dues and membership	420	444	445	640	866
Professional development	925	2,550	40		41
Fundraising					
<b>Total</b>	<b>\$ 1,523,833</b>	<b>\$ 1,665,886</b>	<b>\$ 458,349</b>	<b>\$ 1,027,679</b>	<b>\$ 622,420</b>



<b>Total Program Services</b>	<b>General and Administrative</b>	<b>Communications</b>	<b>Total Supporting Services</b>	<b>2016 Total</b>	<b>2015 Total</b>
\$ 2,221,318	\$ 467,993	\$ 350,762	\$ 818,755	\$ 3,040,073	\$ 2,640,737
234,218	24,223	30,112	54,335	288,553	265,569
290,798	108,934	44,406	153,340	444,138	325,114
1,459,559	83,531	41,901	125,432	1,584,991	1,543,586
2,663		635,565	635,565	638,228	591,202
292,957	43,017	6,178	49,195	342,152	343,424
277,283	41,257	8,126	49,383	326,666	276,387
96,585	33,762	1,957	35,719	132,304	118,131
51,159	29,335	49,118	78,453	129,612	100,090
108,217	6,810	11,573	18,383	126,600	167,040
124,317				124,317	20,771
102,896	3,293	54	3,347	106,243	107,856
5,401	63,144	25	63,169	68,570	53,381
24,425	32,583	7,463	40,046	64,471	98,495
	25,212		25,212	25,212	27,869
2,815	7,824	8,774	16,598	19,413	10,941
3,556	87	495	582	4,138	6,047
					10,811
<b>\$ 5,298,167</b>	<b>\$ 971,005</b>	<b>\$ 1,196,509</b>	<b>\$ 2,167,514</b>	<b>\$ 7,465,681</b>	<b>\$ 6,707,451</b>

**BOISE RESCUE MISSION, INC.**

**STATEMENTS OF CASH FLOWS**

**For the Year Ended September 30, 2016  
With Comparative Totals for the Year Ended September 30, 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 24,769	\$ (583,454)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation	342,152	343,424
Donation of assets and investments	(305,450)	(3,500)
Donation of marketable securities	(81,400)	0
Realized loss on investments	0	1,018
Loss on sale of assets	1,511	14,077
Changes in operating assets and liabilities:		
Receivables	4,425	15,389
Prepaid expenses and other assets	3,318	(31,832)
Inventory	(23,501)	159,116
Security deposits and other non-current assets	0	(10,446)
Accounts payable	(66,731)	1,377
Accrued payroll and related liabilities	(35,347)	56,229
Guest savings	(27,232)	4,888
Other current liabilities	8,079	(1,209)
Deferred rent	<u>7,631</u>	<u>20,491</u>
Net Cash Used in Operating Activities	(147,776)	(14,432)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(36,071)	(200,138)
Proceeds from sale of investments	0	110,520
Proceeds from sale of assets	<u>2,900</u>	<u>11,035</u>
Net Cash Used in Investing Activities	(33,171)	(78,583)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	<u>(31,446)</u>	<u>(38,449)</u>
Net Decrease in Cash and Cash Equivalents	(212,393)	(131,464)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>854,501</u>	<u>985,965</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 642,108</u>	<u>\$ 854,501</u>

See notes to financial statements.

**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2016**  
**With Comparative Totals for September 30, 2015**

**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, 2016 and 2015, the Mission had no uninsured balances.

*Marketable Securities*

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.

**BOISE RESCUE MISSION, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2016  
With Comparative Totals for September 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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 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 and Other Assets Held for Sale*

Property and other assets 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, 2016 and 2015 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, 2016 and 2015.

*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.

**BOISE RESCUE MISSION, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2016**

**With Comparative Totals for September 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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.

*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, 2016 and 2015, donations of other assets valued at \$305,450 and \$3,500, respectively, were recorded in the financial statements.

**BOISE RESCUE MISSION, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2016**

**With Comparative Totals for September 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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.

The following was donated for the year ended September 30:

	<u>2016</u>	<u>2015</u>
Materials	\$ 1,581,786	\$ 1,125,907
Services	16,064	20,092

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.

**BOISE RESCUE MISSION, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2016**

**With Comparative Totals for September 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Deferred Rent*

The Mission's thrift store lease includes provisions for free rent and escalating rents, whereas rent for financial statement purposes is recognized evenly over the lease term. The deferred rent liability is the excess of rent recognized over rent paid.

*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 2016 or 2015.

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.

*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.

**BOISE RESCUE MISSION, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2016**

**With Comparative Totals for September 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Reclassification*

Certain amounts for the year ended September 30, 2015 have been reclassified to conform to the current year presentation. The reclassifications have no effect on net assets for the year ended September 30, 2015.

*Subsequent Events*

The Mission has evaluated subsequent events through February 21, 2017, which is the date the financial statements were available to be issued.

**NOTE B - FAIR VALUE OF ASSETS AND LIABILITIES**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- |         |  |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.  |
| Level 2 | Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value instrument.   |

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Mission measures its investments using Level 1 inputs.



**BOISE RESCUE MISSION, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2016**  
**With Comparative Totals for September 30, 2015**

**NOTE B - FAIR VALUE OF ASSETS AND LIABILITIES (Continued)**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Mission believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Mission's investments at fair value measured on a recurring basis as of September 30, 2016:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ <u>81,400</u>	\$ <u>81,400</u>	\$ <u>0</u>	\$ <u>0</u>

**NOTE C - INVESTMENTS**

Investments at September 30 are summarized as follows:

	<u>2016</u>	<u>2015</u>
Cost (fair value at date of donation)	\$ 81,400	\$ 0
Unrealized gain	<u>0</u>	<u>0</u>
Fair value	<u>\$ 81,400</u>	<u>\$ 0</u>

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

	<u>2016</u>	<u>2015</u>
Interest	\$ 1,381	\$ 2,586
Realized gain (loss)	<u>0</u>	<u>(1,018)</u>
	<u>\$ 1,381</u>	<u>\$ 1,568</u>

**BOISE RESCUE MISSION, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2016  
With Comparative Totals for September 30, 2015**

**NOTE D - PROPERTY AND EQUIPMENT**

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

	<u>2016</u>	<u>2015</u>
Land and buildings	\$ 11,060,729	\$ 11,032,939
Furniture and equipment	701,835	701,835
Office equipment	197,330	197,330
Vehicles	<u>268,892</u>	<u>293,118</u>
	12,228,786	12,225,222
Less accumulated depreciation	<u>3,215,257</u>	<u>2,901,201</u>
 Total Property and Equipment	 <u>\$ 9,013,529</u>	 <u>\$ 9,324,021</u>

**NOTE E - LINE OF CREDIT**

In August of 2016 the Mission obtained a \$500,000 revolving line of credit with Mountain West Bank for short-term cash flow purposes. There were no balance owed on the line of credit as of September 30, 2016. The line of credit is unsecured, bears interest at the prime rate (3.5% as of September 30, 2016) and is due for renewal on August 1, 2017.

**NOTE F - LONG-TERM DEBT**

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

	<u>2016</u>	<u>2015</u>
Note payable to Mountain West Bank, \$6,435 monthly, including interest at 3.74% per annum, maturing August 2026.	\$ 638,798	\$ 0
Note payable to Wells Fargo, \$5,627 monthly, including interest at 4.15% per annum, maturing July 2018. Secured by real property. The note was refinanced during 2016.	<u>0</u>	<u>670,244</u>
	638,798	670,244
Less current portion	<u>54,056</u>	<u>40,520</u>
	<u>\$ 584,742</u>	<u>\$ 629,724</u>

**BOISE RESCUE MISSION, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2016**  
**With Comparative Totals for September 30, 2015**

**NOTE F - LONG-TERM DEBT**

In August of 2016 the Mission refinanced the Wells Fargo note payable with Mountain West Bank in a noncash financing transaction of \$643,000.

Maturities of long-term debt as of September 30, 2016 are as follows:

2017	\$	54,056
2018		56,316
2019		58,459
2020		60,683
2021		62,992
Thereafter		<u>346,292</u>
	\$	<u>638,798</u>

Cash paid for interest during the years ended September 30, 2016 and 2015 was \$25,212 and \$29,079 respectively.

**NOTE G - TEMPORARILY RESTRICTED NET ASSETS AND BOARD DESIGNATIONS**

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

	<u>2016</u>	<u>2015</u>
Veteran ministries	\$ 110,608	\$ 75,521
Other program specific	42,312	97,432
City light	29,315	0
Learning center	20,766	1,829
Meals	0	266,297
Thanksgiving	0	99,474
Thrift store	<u>0</u>	<u>77,786</u>
	<u>\$ 203,001</u>	<u>\$ 618,339</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, 2016**  
**With Comparative Totals for September 30, 2015**

**NOTE H - 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 2016 or 2015. The Mission received cash donations totaling \$146,089 and \$96,008 during the years ended September 30, 2016 and 2015, respectively.

**NOTE I - 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, 2016 and 2015, the Mission contributed \$10,378 and \$5,731, respectively, to the plan.

**NOTE J - LEASES**

The Mission leases office equipment and its thrift store under operating leases that expire at various years through May 2021. The leases require monthly payments ranging from \$344 to \$10,649. The Mission recognizes rent on a straight line method over the term of the lease. The difference between rent expense recognized and rent paid of \$28,122 and \$20,491 at September 30, 2016 and 2015, respectively, is recorded as deferred rent. Rent expense under all operating leases was \$154,055 and \$44,171 for the years ended September 30, 2016 and 2015, respectively.

The following summarizes the remaining future minimum payments required under all leases:

2017	\$	147,448
2018		149,883
2019		152,319
2020		75,283
2021		<u>11,844</u>
	\$	<u>536,777</u>

**BOISE RESCUE MISSION, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2016**

**With Comparative Totals for September 30, 2015**

**NOTE K - 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 issue was resolved during 2015 pending no further action.