

**GREAT FALLS RESCUE MISSION**

**GREAT FALLS, MONTANA**

**FINANCIAL STATEMENTS**

**AS OF**

**SEPTEMBER 30, 2015 AND 2014**

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***Douglas Wilson & Company, P.C.***

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Board of Directors  
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Great Falls, Montana

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Great Falls Rescue Mission (a nonprofit organization), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities and net assets, cash flows and functional expenses 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 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 Great Falls Rescue Mission as of September 30, 2015 and 2014, 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.

A handwritten signature in black ink that reads "Douglas Nelson + Company, P.C." The signature is written in a cursive, flowing style.

Great Falls, Montana  
December 28, 2015

**GREAT FALLS RESCUE MISSION**

**GREAT FALLS, MONTANA**

**STATEMENTS OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2015 AND 2014**

	<b>9/30/15</b>	<b>9/30/14</b>
<b>ASSETS</b>		
Cash	\$ 2,863,607	\$ 47,616
Investments	518,715	2,929,264
Prepaid Expenses	31,376	31,160
Deposits	50,000	-
Contributions Receivable	950,898	823,635
Land	186,435	146,435
Buildings and Improvements	957,663	685,321
Equipment and Tools	79,897	74,457
Furniture and Fixtures	25,077	25,077
Vehicles	95,097	72,097
Less: Accumulated Depreciation	(369,157)	(324,808)
Construction in Progress	1,463,566	429,647
	<b>\$ 6,853,174</b>	<b>\$ 4,939,901</b>
Total Assets	<b>\$ 6,853,174</b>	<b>\$ 4,939,901</b>

<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 24,569	\$ 60,275
Accrued Salaries Payable	-	27,096
Accrued Vacation Payable	35,024	26,525
Insurance Payable	3,532	4,390
Payroll Taxes Payable	5,913	5,984
Note Payable - Building	200,000	-
Total Liabilities	269,038	124,270
<b>Net Assets:</b>		
Unrestricted:		
Investment in Fixed Assets	2,438,578	1,108,226
Designated for Operating Reserve	500,000	350,000
Designated for Debt Service	200,000	-
Designated for Capital Improvements	212,232	212,232
Undesignated	(525,024)	591,440
Temporarily Restricted	3,758,350	2,553,733
Total Net Assets	6,584,136	4,815,631
Total Liabilities and Net Assets	<b>\$ 6,853,174</b>	<b>\$ 4,939,901</b>

See notes to the financial statements.

**GREAT FALLS RESCUE MISSION**

**GREAT FALLS, MONTANA**

**STATEMENT OF ACTIVITIES AND NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Revenues, Gains and Other Support:			
Contribution Income	\$ 1,691,523	\$ 2,262,800	\$ 3,954,323
Contribution Income - In Kind	2,265,188	-	2,265,188
Grants	-	64,000	64,000
Thrift Store	296,443	-	296,443
Banquet Income	25,274	-	25,274
Miscellaneous Income	38,564	-	38,564
Camp Revenue	18,507	-	18,507
Rent Revenue	2,950	-	2,950
Investment Earnings	57,490	-	57,490
Realized/Unrealized Gain (Loss)	(208,632)	-	(208,632)
Net Assets Released From Restrictions:			
Satisfaction of Purpose Restrictions	1,122,183	(1,122,183)	-
Total Revenue	5,309,490	1,204,617	6,514,107
Expenses:			
Program Expenses:			
Food and Clothing	927,108	-	927,108
Women and Family	258,036	-	258,036
Men's Ministry	280,082	-	280,082
Children and Youth Ministry	191,705	-	191,705
Clinic and Miscellaneous Services	90,905	-	90,905
Thrift Store	1,897,978	-	1,897,978
Maintenance and Construction	229,109	-	229,109
Fund Raising	523,028	-	523,028
General and Administrative	347,651	-	347,651
Total Expenses	4,745,602	-	4,745,602
Change in Net Assets	563,888	1,204,617	1,768,505
Net Assets, Beginning of Year	2,261,898	2,553,733	4,815,631
Net Assets, End of Year	<b>\$ 2,825,786</b>	<b>\$ 3,758,350</b>	<b>\$ 6,584,136</b>

See notes to the financial statements.

**GREAT FALLS RESCUE MISSION**

**GREAT FALLS, MONTANA**

**STATEMENT OF ACTIVITIES AND NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Revenues, Gains and Other Support:</b>			
Contribution Income	\$ 1,338,807	\$ 1,150,999	\$ 2,489,806
Contribution Income - In Kind	1,124,147	-	1,124,147
Grants	-	96,000	96,000
Banquet Income	27,749	-	27,749
Golf Marathon Income	10,512	-	10,512
Miscellaneous Income	56,581	-	56,581
Camp Revenue	40,945	-	40,945
Investment Earnings	74,609	-	74,609
Realized/Unrealized Gain (Loss)	107,111	-	107,111
<b>Net Assets Released From Restrictions:</b>			
Satisfaction of Purpose Restrictions	90,032	(90,032)	-
<b>Total Revenue</b>	<b>2,870,493</b>	<b>1,156,967</b>	<b>4,027,460</b>
<b>Expenses:</b>			
<b>Program Expenses:</b>			
Food and Clothing	1,251,171	-	1,251,171
Women and Family	235,624	-	235,624
Men's Ministry	235,672	-	235,672
Children and Youth Ministry	141,435	-	141,435
Clinic and Miscellaneous Services	110,642	-	110,642
Maintenance and Construction	115,203	-	115,203
Fund Raising	491,660	-	491,660
General and Administrative	340,264	-	340,264
<b>Total Expenses</b>	<b>2,921,671</b>	<b>-</b>	<b>2,921,671</b>
<b>Change in Net Assets</b>	<b>(51,178)</b>	<b>1,156,967</b>	<b>1,105,789</b>
<b>Net Assets, Beginning of Year</b>	<b>2,313,076</b>	<b>1,396,766</b>	<b>3,709,842</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,261,898</b>	<b>\$ 2,553,733</b>	<b>\$ 4,815,631</b>

See notes to the financial statements.

**GREAT FALLS RESCUE MISSION**

**GREAT FALLS, MONTANA**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

	<b>9/30/15</b>	<b>9/30/14</b>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 1,768,505	\$ 1,105,789
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	44,349	37,693
Realized / Unrealized Loss (Gain) on Investments	208,632	(107,111)
Donated Assets Included in Contributions	(23,000)	-
(Increase) Decrease in Prepaid Expenses	(216)	(12,314)
(Increase) Decrease in Deposits	(50,000)	-
(Increase) Decrease in Contributions Receivable	(127,263)	425,144
Increase (Decrease) in Accounts Payable	(35,706)	32,499
Increase (Decrease) in Accrued Salaries	(27,096)	3,254
Increase (Decrease) in Accrued Vacation	8,499	6,146
Increase (Decrease) in Insurance Payable	(858)	1,819
Increase (Decrease) in Payroll Taxes Payable	(71)	2,860
Increase (Decrease) in Deferred Revenue	-	(7,500)
Net Cash Provided by Operating Activities	<u>1,765,775</u>	<u>1,488,279</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(1,151,701)	(81,558)
Proceeds from the Sale of Investments	3,942,472	775,169
Purchase of Investments	<u>(1,740,555)</u>	<u>(2,198,832)</u>
Net Cash Used by Investing Activities	<u>1,050,216</u>	<u>(1,505,221)</u>
Net Increase (Decrease) in Cash	2,815,991	(16,942)
Cash at Beginning of Year	<u>47,616</u>	<u>64,558</u>
Cash at End of Year	<u>\$ 2,863,607</u>	<u>\$ 47,616</u>
<b>Noncash Investing and Financing Activities:</b>		
Purchase of Fixed Assets through Installment Note	<u>\$ 200,000</u>	<u>\$ -</u>

See notes to the financial statements.



GREAT FALLS RESCUE MISSION

GREAT FALLS, MONTANA

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Food &amp; Clothing</u>	<u>Women &amp; Family</u>	<u>Men's Ministry</u>	<u>Children &amp; Youth Ministry</u>	<u>Clinic &amp; Misc. Services</u>	<u>Thrift Store</u>	<u>Maintenance and Construction</u>	<u>Fund Raising</u>	<u>General &amp; Admin.</u>	<u>Total</u>
Salaries	\$ 74,844	\$ 124,118	\$ 111,687	\$ 100,139	\$ 1,761	\$ 218,035	\$ 72,440	\$ 79,801	\$ 154,678	\$ 937,503
Payroll Taxes	7,328	12,508	11,143	9,781	290	23,365	7,504	8,937	16,149	97,005
Employee Relations and Benefits	26,694	42,335	50,229	11,588	2,289	21,342	33,279	32,839	77,412	298,007
Advertising	-	-	-	79	-	6,848	3,041	3,304	-	13,272
Bank and Credit Card Fees	-	-	-	-	-	4,441	-	6,027	2,207	12,675
Dues and Subscriptions	17	2,673	2,923	524	-	521	107	10,750	8,401	25,916
Banquet Expenses	-	-	-	-	-	-	-	168	-	168
Education	114	2,029	3,146	1,208	-	1,292	-	1,305	7,244	16,338
Events	27,232	-	-	2,816	4	-	-	4,162	-	34,214
Food and Vending										
Machine Purchases	60,198	723	1,215	7,641	-	-	-	-	1,628	71,405
Gifts in Kind	693,097	-	-	-	79,450	1,469,641	-	-	-	2,242,188
Fundraising	-	-	-	-	-	45	-	263,532	-	263,577
Incentive Allowances	-	4,790	13,310	-	-	-	-	-	-	18,100
Insurance	2,322	4,488	5,531	3,509	2,491	-	1,326	1,392	7,134	28,193
Meals and Entertainment	-	547	1,388	3,976	-	1,191	1,055	527	1,861	10,545
Miscellaneous	509	3,512	3,030	1,265	-	294	3,941	246	2,393	15,190
Office Supplies	347	-	-	16	-	2,080	-	3,923	8,715	15,081
Postage	-	-	-	-	-	778	-	5,100	196	6,074
Professional Fees	3,190	601	601	360	282	968	794	1,253	5,501	13,550
Rent - Equipment and Facilities	-	-	-	4,157	1,368	50,125	-	3,296	12,476	71,422
Repairs and Maintenance	484	6,645	12,700	1,236	11	5,312	908	-	4,048	31,344
Support	-	2,922	3,964	-	-	-	95,592	89,415	12,388	204,281
Supplies	8,023	10,392	11,396	17,932	980	50,264	3,246	-	3,322	105,555
Internet	42	218	167	42	-	1,258	63	104	187	2,081
Taxes and Licenses	327	2,238	641	-	-	5,741	2,758	-	346	12,051
Telephone	304	1,480	2,352	928	45	841	277	1,073	3,902	11,202
Travel and Lodging	983	1,056	1,597	3,123	-	2,839	2,778	4,822	9,370	26,568
Utilities	10,049	22,244	30,516	731	465	20,640	-	875	3,757	89,277
Vehicle	2,029	554	769	15,667	-	8,537	-	177	739	28,472
Depreciation	8,975	11,963	11,777	4,987	1,469	1,580	-	-	3,597	44,348
<b>Total</b>	<b>\$ 927,108</b>	<b>\$ 258,036</b>	<b>\$ 280,082</b>	<b>\$ 191,705</b>	<b>\$ 90,905</b>	<b>\$ 1,897,978</b>	<b>\$ 229,109</b>	<b>\$ 523,028</b>	<b>\$ 347,651</b>	<b>\$ 4,745,602</b>

See notes to the financial statements.

**GREAT FALLS RESCUE MISSION**

**GREAT FALLS, MONTANA**

**STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Food &amp; Clothing</u>	<u>Women &amp; Family</u>	<u>Men's Ministry</u>	<u>Children &amp; Youth Ministry</u>	<u>Clinic &amp; Misc. Services</u>	<u>Maintenance and Construction</u>	<u>Fund Raising</u>	<u>General &amp; Admin.</u>	<u>Total</u>
Salaries	\$ 62,143	\$ 110,595	\$ 83,606	\$ 68,513	\$ 12,463	\$ 57,340	\$ 72,980	\$ 157,083	\$ 624,723
Payroll Taxes	6,839	11,825	9,221	7,244	1,431	7,701	7,496	14,125	65,882
Employee Relations and Benefits	15,615	31,850	33,135	3,244	2,561	27,542	46,254	85,237	245,438
Advertising	-	-	-	62	-	3,500	18,225	-	21,787
Bank and Credit Card Fees	-	-	-	-	-	-	4,927	5,860	10,787
Dues and Subscriptions	62	309	352	62	-	62	12,726	6,900	20,473
Banquet Expenses	-	-	-	-	-	-	410	-	410
Education	8	1,312	1,425	1,199	8	-	3,064	3,224	10,240
Events	22,793	-	-	2,852	733	-	467	-	26,845
Food and Vending									
Machine Purchases	57,141	1,283	989	9,319	-	-	-	953	69,685
Gifts in Kind	1,047,852	-	-	-	76,295	-	-	-	1,124,147
Fundraising	-	-	-	-	-	-	214,153	-	214,153
Incentive Allowances	-	4,610	15,695	-	-	-	-	-	20,305
Insurance	1,853	4,411	4,230	3,238	394	1,272	224	6,510	22,132
Meals and Entertainment	21	570	1,163	2,408	104	834	1,824	1,550	8,474
Miscellaneous	767	3,377	6,899	1,599	-	1,859	361	1,209	16,071
Office Supplies	416	-	-	289	-	-	3,421	10,047	14,173
Postage	941	-	-	-	-	-	3,047	216	4,204
Professional Fees	197	253	284	149	154	110	649	6,278	8,074
Rent - Equipment and Facilities	-	-	-	3,324	4,104	-	1,800	-	9,228
Repairs and Maintenance	4,695	11,578	12,653	756	-	2,787	207	6,904	39,580
Support	-	2,990	1,360	-	-	-	93,900	4,094	102,344
Supplies	9,873	15,810	16,599	13,375	9,356	2,382	-	6,330	73,725
Internet	229	307	515	116	-	37	77	107	1,388
Taxes and Licenses	652	2,191	638	49	-	2,522	-	339	6,391
Telephone	342	1,682	2,463	478	143	329	1,693	3,578	10,708
Travel and Lodging	217	1,126	1,284	9,548	28	6,173	1,938	5,485	25,799
Utilities	12,645	19,995	31,466	7,036	968	753	425	4,319	77,607
Vehicle	2,322	378	16	3,694	431	-	1,392	972	9,205
Depreciation	3,548	9,172	11,679	2,881	1,469	-	-	8,944	37,693
<b>Total</b>	<b>\$ 1,251,171</b>	<b>\$ 235,624</b>	<b>\$ 235,672</b>	<b>\$ 141,435</b>	<b>\$ 110,642</b>	<b>\$ 115,203</b>	<b>\$ 491,660</b>	<b>\$ 340,264</b>	<b>\$ 2,921,671</b>

See notes to the financial statements.

**GREAT FALLS RESCUE MISSION**

**GREAT FALLS, MONTANA**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

- A. Nature of Activities** - The Great Falls Rescue Mission (Mission) is a non-profit Christian organization committed to caring for the hungry, hurting and homeless of north central Montana. The Mission provides food, clothing, shelter and Christian ministry for those in need. A majority of the revenue is contributions from individuals and businesses within north central Montana.
- B. Method of Accounting** - The financial statements of the Mission have been prepared utilizing the accrual basis of accounting.
- C. Financial Statement Presentation** - According to accounting standards, the Mission is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Mission is required to present a statement of cash flows.
- D. Contributions** - Contributions whose restrictions are met in the same period as the recognition of the contribution are considered unrestricted for reporting purposes. There were no permanently restricted net assets at September 30, 2015 and 2014.
- E. Donor-Imposed Restrictions** - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

- F. Furniture and Equipment** - All expenditures for furniture and equipment and the fair value of donated items in excess of \$5,000 are capitalized. Purchased equipment is recorded at cost. Depreciation is computed by the accelerated method over the following estimated useful lives:

Furniture, Fixtures and Equipment	3 - 10 Years
Buildings and Improvements	30 - 39 Years
Vehicles	5 Years

- G. Donated Materials and Services** - Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt. Donated services relate to professional services received and are used for clinic services. Total donated services recognized as revenues are \$79,450 and \$76,295, respectively for the years ended September 30, 2015 and 2014.
- H. Thrift Store** - Contributions of clothing, household goods and other items to the Mission's thrift store are recognized as revenues when, and if sold. Inventories of such items in the thrift store are not included as assets in the Statement of Financial Position.
- I. Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- J. Income Tax Status** - The Mission qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore has no provision for federal and state income taxes.
- K. Cash and Cash Equivalents** - For the statement of financial position and statement of cash flows, cash and cash equivalents are defined as all monies in petty cash, checking, savings and money market accounts and certificates of deposit.
- L. Reclassifications** - Certain prior year amounts have been reclassified to conform to current year's presentation.
- M. Subsequent Events** - In preparing these financial statements, the Mission has evaluated events and transactions for potential recognition or disclosure through December 28, 2015, the date the financial statements were available to be issued.

**NOTE 2: INVESTMENTS/FAIR VALUE MEASUREMENTS:**

Assets and liabilities recorded at fair value on the balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. That framework provides a fair value hierarchy that 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 that the Mission has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The Mission's investments are recorded at fair value and have been categorized based upon a fair value hierarchy in accordance with accounting standards.

Fair values of assets measured on a recurring basis at September 30, 2015 are as follows:

	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Mutual Funds	\$ 387,843	\$ 387,843	\$ -	\$ -
Equity Securities	25,872	25,872	-	-
Land - Ravalli County, Montana	105,000	-	105,000	-
Total	<b><u>\$ 518,715</u></b>	<b><u>\$ 413,715</u></b>	<b><u>\$ 105,000</u></b>	<b><u>\$ -</u></b>

The land was valued using comparable sales from three sales within the year in the same area. No gain or loss has been recorded in the statement of activities related to the land.

Fair values of assets measured on a recurring basis at September 30, 2014 are as follows:

	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Mutual Funds	\$ 405,300	\$ 405,300	\$ -	\$ -
Unit Investment Trusts	2,300,168	2,300,168	-	-
Equity Securities	118,796	118,796	-	-
Land - Ravalli County, Montana	105,000	-	105,000	-
Total	<b><u>\$ 2,929,264</u></b>	<b><u>\$ 2,824,264</u></b>	<b><u>\$ 105,000</u></b>	<b><u>\$ -</u></b>

The fair market value and cost of investments consist of the following:

	<b>2015 Fair Market Value</b>	<b>Cost</b>	<b>Unrealized Gain/(Loss)</b>
Mutual Funds	\$ 387,843	\$ 395,586	\$ (7,743)
Equity Securities	25,872	30,008	(4,136)
Land - Ravalli County, Montana	105,000	105,000	-
Total	<u><u>\$ 518,715</u></u>	<u><u>\$ 530,594</u></u>	<u><u>\$ (11,879)</u></u>

  

	<b>2014 Fair Market Value</b>	<b>Cost</b>	<b>Unrealized Gain/(Loss)</b>
Mutual Funds	\$ 405,300	\$ 372,154	\$ 33,146
Unit Investment Trusts	2,300,168	2,278,071	22,097
Equity Securities	118,796	94,144	24,652
Land - Ravalli County, Montana	105,000	105,000	-
Total	<u><u>\$ 2,929,264</u></u>	<u><u>\$ 2,849,369</u></u>	<u><u>\$ 79,895</u></u>

**NOTE 3: CONTRIBUTIONS RECEIVABLE:**

Contributions receivable at September 30 are expected to be realized in the following periods.

	<b>2015</b>	<b>2014</b>
In Less than One Year	\$ 923,025	\$ 454,620
Between One Year and Five Years	98,300	436,844
Total Contributions Receivable	<u>1,021,325</u>	<u>891,464</u>
Less: Present Value Discount	20,427	17,829
Allowance for Doubtful Accounts	50,000	50,000
Contributions Receivable, Net	<u><u>\$ 950,898</u></u>	<u><u>\$ 823,635</u></u>

The present value discount for 2015 and 2014 was calculated using a discount factor of 2%.

**NOTE 4: NOTE PAYABLE BUILDING:**

Note payable for a building purchased by the Mission September 2015. Payments are due annually beginning November 2016 at 4% interest. The loan is secured by the building. Scheduled principal payments on this note are as follows:

Year ending September 30,	
2016	\$ -
2017	100,000
2018	100,000
	<u><u>\$ 200,000</u></u>

**NOTE 5: DESIGNATED FOR OPERATING RESERVE:**

The Mission has designated \$500,000 and \$350,000 for 2015 and 2014, respectively, to be held in reserve when adverse economic conditions occur and contributions decrease.

**NOTE 6: TEMPORARILY RESTRICTED NET ASSETS:**

Temporarily restricted net assets are for a construction of a shelter building and grant funds that are restricted for personal costs.

**NOTE 7: OPERATING LEASES:**

The Mission leases retail space for its thrift store. The monthly lease is \$7,500. This lease will expire December 2019. Future minimum lease payments under this non-cancelable lease are as follows:

Year ending September 30,	
2016	\$ 90,000
2017	90,000
2018	90,000
2019	90,000
2020	22,500
	<u>\$ 382,500</u>

The Mission also leases space for its business administration offices. This lease is a year to year lease with monthly payments currently of \$1,650.

Total lease expense for the years ended September 30, 2015 and 2014 totaled \$68,125 and \$8,000, respectively.

**NOTE 8: THRIFT STORE, NET:**

Thrift store activity consists of the following at September 30, 2015:

Thrift Store Sales	\$ 264,916
Miscellaneous Revenue	31,527
In-kind Contributions, Net	23,000
Gross Profit	<u>319,443</u>
Operating Expenses:	
Salaries	218,035
Payroll Taxes	23,365
Employee Benefits	21,342
Advertising	6,848
Bank and Credit Card Fees	4,441
Dues and Subscriptions	521

Operating Expenses (Continued):

Education	1,292
Meals and Entertainment	1,191
Miscellaneous	339
Office Supplies	2,080
Postage	778
Professional Fees	968
Rent	50,125
Repairs and Maintenance	5,312
Supplies and Equipment	50,264
Internet	1,258
Taxes and Licenses	5,741
Telephone	841
Travel and Lodging	2,839
Utilities	20,640
Vehicle	8,537
Depreciation	1,580
Total Operating Expenses	<u>428,337</u>
Thrift Store, Net	<u>\$ (108,894)</u>

**NOTE 9: RETIREMENT PLAN:**

The Mission offers its employees the option to participate in a SIMPLE IRA plan. The SIMPLE IRA covers employees who at least 21 years old and have worked for the Mission for over one year. The Mission will contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the year. For the years ended September 30, 2015 and 2014 the employer contributions totaled \$16,305 and \$12,699, respectively.

**NOTE 10: SUBSEQUENT EVENT:**

During October 2015 the Mission began participation in the New Market Tax Credit (NMTC) program. NMTC programs were established as part of the Community Renewal Tax Relief Act of 2000. The goal of NMTC programs is to spur revitalization efforts of low-income and impoverished communities across the United States and its Territories by providing tax credit incentives to investors in certified community development entities. The tax credit for investors equals 39% of the investment, and investors receive the tax credit over a seven year period. A community development entity (CDE) is required to participate and has the primary mission of providing financing for revitalization projects in low-income communities. NMTC financing allows organizations such as the Mission to receive low-interest loans or investment capital from CDEs, primarily financial institutions, which will allow their investors to receive tax credits.

As a result of participation in the NMTC program, a new entity, GFRM NMTC Holdings, was created to hold title of the new family center. After seven years, ownership of the family center will likely be transferred from GFRM NMTC Holdings to the Mission. As Of December 28, 2015, the Mission has transferred \$2,891,357 to GFRM NMTC Holdings.



After the fiscal year ended September 30, 2015, the mission entered into two new promissory note payable agreements, one with a local charitable trust for the amount \$500,000 and the other with the Montana Community Development Corporation (the CDE) for the amount of \$618,582. The proceeds from these notes have been transferred to GFRM NMTC Holdings. The monthly payments for the notes will be based upon the amount of contributions designated for the new family center received by the Mission each month. The annual interest rates for the notes are 2% and 8.5%, respectively.