

BOISE RESCUE MISSION, INC.
(a nonprofit organization)

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Years Ended September 30, 2014 and 2013

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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 consolidated financial statements of Boise Rescue Mission, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2014, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

Harris & Co. PLLC

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boise Rescue Mission, Inc. as of September 30, 2014, 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 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 20, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The individual Boise Rescue Mission Inc. and BRM Foundation statements of functional expenses on pages 7 and 8 are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Harris & Co. PLLC

Meridian, Idaho
January 26, 2015

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

September 30, 2014

With Comparative Totals as of September 30, 2013

	ASSETS	
	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 985,965	\$ 1,274,129
Certificate of deposit	111,538	110,219
Unconditional promise to give, net	19,814	142,558
Prepaid expenses and other assets	75,671	56,387
Inventory	340,493	200,139
Property held for sale	<u>5,940</u>	<u>135,231</u>
Total Current Assets	1,539,421	1,918,663
PROPERTY AND EQUIPMENT, net	<u>9,488,919</u>	<u>8,347,294</u>
Total Assets	<u>\$ 11,028,340</u>	<u>\$ 10,265,957</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 96,320	\$ 206,260
Accrued payroll and related liabilities	72,594	96,490
Guest savings	40,406	42,018
Other current liabilities	1,509	3,024
Current portion long term debt	<u>38,875</u>	<u>37,300</u>
Total Current Liabilities	249,704	385,092
LONG TERM DEBT, net of current portion	<u>669,818</u>	<u>708,270</u>
Total Liabilities	919,522	1,093,362
NET ASSETS		
Unrestricted		
Board designated	100,000	100,000
Undesignated	<u>9,546,686</u>	<u>8,152,440</u>
Total Unrestricted	9,646,686	8,252,440
Temporarily restricted	<u>462,132</u>	<u>920,155</u>
Total Net Assets	<u>10,108,818</u>	<u>9,172,595</u>
Total Liabilities and Net Assets	<u>\$ 11,028,340</u>	<u>\$ 10,265,957</u>

See notes to consolidated financial statements.

BOISE RESCUE MISSION, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Year Ended September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
REVENUE AND SUPPORT				
Contributions	\$ 3,299,420	\$ 2,285,467	\$ 5,584,887	\$ 5,704,752
In-kind contributions	1,444,346		1,444,346	1,790,282
Program fees	82,714		82,714	81,056
Special events	22,196		22,196	16,996
Miscellaneous income	55,290		55,290	85,778
Gain (loss) on sale of assets	(46,404)		(46,404)	465
Investment income	<u>742</u>		<u>742</u>	<u>1,369</u>
	4,858,304	2,285,467	7,143,771	7,680,698
Net assets released from restrictions	<u>2,743,490</u>	<u>(2,743,490)</u>	<u>0</u>	<u>0</u>
Total Revenue	7,601,794	(458,023)	7,143,771	7,680,698
EXPENSES				
Program services				
Boise men's program	1,382,893		1,382,893	1,563,979
Women and children	1,498,126		1,498,126	1,666,210
Nampa women's program	261,843		261,843	0
Nampa men's program	<u>997,019</u>		<u>997,019</u>	<u>1,127,709</u>
Total Program Services	4,139,881		4,139,881	4,357,898
Supporting services				
General and administrative	919,337		919,337	768,661
Communications	<u>1,148,330</u>		<u>1,148,330</u>	<u>919,216</u>
Total Supporting Services	<u>2,067,667</u>		<u>2,067,667</u>	<u>1,687,877</u>
Total Expenses	<u>6,207,548</u>		<u>6,207,548</u>	<u>6,045,775</u>
Increase (Decrease) in Net Assets	1,394,246	(458,023)	936,223	1,634,923
NET ASSETS				
Beginning of Year	<u>8,252,440</u>	<u>920,155</u>	<u>9,172,595</u>	<u>7,537,672</u>
End of Year	<u>\$ 9,646,686</u>	<u>\$ 462,132</u>	<u>\$ 10,108,818</u>	<u>\$ 9,172,595</u>

See notes to consolidated financial statements.

BOISE RESCUE MISSION, INC.**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

For the Year Ended September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

	Boise Men's Program	Women & Children	Nampa Womens Program	Nampa Men's Program	Total Program Services
Salaries	\$ 483,136	\$ 592,459	\$ 108,957	\$ 311,527	\$ 1,496,079
Supplies and services	494,867	442,965	92,842	367,121	1,397,795
Communication					
Employee benefits	61,655	104,797	1,795	85,807	254,054
Depreciation	86,314	89,315	10,151	73,326	259,106
Utilities and phone	93,390	69,265	12,363	54,085	229,103
Payroll taxes	46,242	68,471	4,994	31,224	150,931
Office expense	11,584	19,943	7,636	12,514	51,677
Program expenses	65,034	27,890	2,013	12,614	107,551
Insurance	18,488	29,825	2,673	20,534	71,520
Transportation	4,975	21,708	6,014	14,462	47,159
Building maintenance	14,965	24,539	11,785	11,273	62,562
Professional services		4,535			4,535
Interest					
Dues and membership	520	574	394	1,111	2,599
Professional development	1,690	907	226	1,388	4,211
Rent	33	933		33	999
Miscellaneous					
Fundraising					
Total	<u>\$ 1,382,893</u>	<u>\$ 1,498,126</u>	<u>\$ 261,843</u>	<u>\$ 997,019</u>	<u>\$ 4,139,881</u>

See notes to consolidated financial statements.

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General and Administrative	Communications	Total Supporting Services	2014 Total	2013 Total
\$ 437,522	\$ 321,766	\$ 759,288	\$ 2,255,367	\$ 2,043,483
66,661	50,214	116,875	1,514,670	1,803,885
1,156	608,767	609,923	609,923	639,751
115,812	59,993	175,805	429,859	357,882
57,139	3,531	60,670	319,776	257,253
34,927	8,021	42,948	272,051	240,750
39,950	28,001	67,951	218,882	208,619
26,270	50,995	77,265	128,942	78,304
7,494	3,981	11,475	119,026	110,800
19,904	978	20,882	92,402	72,636
27,760	6,294	34,054	81,213	38,308
7,416	16	7,432	69,994	71,952
27,362	3,150	30,512	35,047	43,704
29,134		29,134	29,134	47,428
6,061	1,725	7,786	10,385	7,162
542	898	1,440	5,651	3,555
			999	4,600
291		291	291	6,276
13,936		13,936	13,936	9,427
\$ 919,337	\$ 1,148,330	\$ 2,067,667	\$ 6,207,548	\$ 6,045,775

BOISE RESCUE MISSION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 936,223	\$ 1,634,923
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	319,776	257,253
Donation of assets and investments	(6,483)	(156,562)
Donations for construction or purchase of long-lived assets	(956,573)	(984,871)
Loss on investments	1,276	217
Loss on sale of assets	46,404	0
Changes in operating assets and liabilities:		
Receivables	122,744	60,143
Prepaid expenses and other assets	(20,284)	(32,377)
Inventory	(140,354)	(42,977)
Accounts payable	(109,940)	126,598
Accrued payroll and related liabilities	(23,896)	10,135
Guest savings	(1,612)	15,188
Other current liabilities	<u>(1,515)</u>	<u>(50)</u>
Net Cash Provided by Operating Activities	165,766	887,620
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,455,304)	(1,131,652)
Proceeds from sale of investments	0	19,372
Reinvestment of interest and dividends	(2,595)	(1,233)
Proceeds from sale of assets	<u>84,273</u>	<u>34,900</u>
Net Cash Used in Investing Activities	(1,373,626)	(1,078,613)
CASH FLOWS FROM FINANCING ACTIVITIES		
Donations for construction or purchase of long-lived assets	956,573	984,871
Principal payments on long-term debt	<u>(36,877)</u>	<u>(116,686)</u>
Net Cash Provided by Financing Activities	<u>919,696</u>	<u>868,185</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(288,164)	677,192
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>1,274,129</u>	<u>596,937</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 985,965</u>	<u>\$ 1,274,129</u>

See notes to consolidated financial statements.

BOISE RESCUE MISSION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

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 BRM Foundation, Inc. (Foundation) is a non-profit organization which holds property and investments and provides support for the Boise Rescue Mission.

Basis of Consolidation

The accompanying financial statements present the consolidation of the financial statements of Boise Rescue Mission, Inc. and BRM Foundation, Inc. Material intercompany transactions and balances have been eliminated in the consolidated financial statements. The BRM Foundation, Inc. has been consolidated with the Boise Rescue Mission, Inc. based on economic interest and control.

The Foundation purchased an office/warehouse building for use of the Mission June 19, 2009. The Mission has agreed to reimburse the Foundation the loan payments made on the new building in the amount of \$5,627 monthly for 120 months or until the loan is paid in full. The payments between entities have been eliminated in consolidation.

Basis of Accounting

The accompany consolidated 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.

BOISE RESCUE MISSION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

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.

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, 2014 and 2013, the Mission had no uninsured balances.

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 and 2013.

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 consolidated financial statements and no discount has been recorded.

BOISE RESCUE MISSION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promises to Give (continued)

The Mission establishes an allowance for doubtful accounts against receivables it believes may not be collectable. As of September 30, 2014 and 2013, the Mission believes all receivables are fully collectable and no allowance has been established. The Mission has not written off any accounts for the years ended September 30, 2014 and 2013.

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, 2013, the Mission has cemetery plots and three pieces of real property held for sale. The three pieces of property were sold during 2014. As of September 30, 2014, the Mission has cemetery plots. 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, 2014 and 2013.

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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

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, 2014 and 2013, donations of other assets valued at \$6,483 and \$103,241, respectively, were recorded in the financial statements.

BOISE RESCUE MISSION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

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.

The following was donated for the year ended September 30:

	<u>2014</u>	<u>2013</u>
Materials	\$ 1,428,335	\$ 1,649,245
Services	22,494	27,563
Investments	0	11,867

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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Mission and Foundation are not-for-profit organizations that are 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 2014 or 2013.

The Foundation files Form 990 in the U.S. federal jurisdiction. The Foundation is generally no longer subject to examination by the Internal Revenue Service for years before 2010. 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.

Subsequent Events

The Mission has evaluated subsequent events through January 26, 2015, which is the date the financial statements were available to be issued.

NOTE B - CERTIFICATE OF DEPOSIT

At September 30, 2014 and 2013, the Mission had a certificate of deposit that totaled \$111,538 and \$110,219, respectively. The certificate was issued for 36 months, maturing June 9, 2015 with an annual interest rate of 1.2%. The certificate is not readily convertible into cash within ninety (90) days of purchase and is therefore not considered a cash equivalents. The certificate of deposit is fair valued using level 1 inputs. Any penalties for early withdrawal would not have a material effect on the financial statements.

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

September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

NOTE C - PROPERTY AND EQUIPMENT

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

	<u>2014</u>	<u>2013</u>
Land and buildings	\$ 10,979,085	\$ 8,703,879
Furniture and equipment	671,298	644,802
Office equipment	244,121	264,870
Vehicles	219,712	221,232
Construction in progress	5,006	895,635
	<u>12,119,222</u>	<u>10,730,418</u>
Less accumulated depreciation	<u>2,630,303</u>	<u>2,383,124</u>
Total Property and Equipment	<u>\$ 9,488,919</u>	<u>\$ 8,347,294</u>

NOTE D - LONG-TERM DEBT

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

	<u>2014</u>	<u>2013</u>
Note payable to Wells Fargo, \$5,627 monthly, including interest at 4.15% per annum, maturing July 2018. Secured by real property.	\$ 708,693	\$ 745,570
Less current portion	<u>38,875</u>	<u>37,300</u>
	<u>\$ 669,818</u>	<u>\$ 708,270</u>

Maturities of long-term debt as of September 30, 2014 are as follows:

2015	\$ 38,875
2016	40,520
2017	42,234
2018	<u>587,064</u>
	<u>\$ 708,693</u>

Cash paid for interest during the years ended September 30, 2014 and 2013 was \$30,649 and \$47,428 respectively.

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

September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

NOTE E - TEMPORARILY RESTRICTED NET ASSETS AND BOARD DESIGNATIONS

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

	<u>2014</u>	<u>2013</u>
Meals	\$ 264,080	\$ 168,163
Thanksgiving	84,442	85,613
Veteran ministries	33,015	49,736
Other program specific	73,890	103,595
Valley crisis center	0	250,000
Learning center	6,705	10,000
Nampa building	0	50,312
Capital campaign - general	<u>0</u>	<u>202,736</u>
	<u>\$ 462,132</u>	<u>\$ 920,155</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.

NOTE F - INVESTMENT INCOME

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

	<u>2014</u>	<u>2013</u>
Interest	\$ 2,018	\$ 1,581
Realized gain (loss)	<u>(1,276)</u>	<u>(212)</u>
	<u>\$ 742</u>	<u>\$ 1,369</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 2014 or 2013. The Mission received cash donations totaling \$313,696 and \$284,751 during the years ended September 30, 2014 and 2013, respectively.

BOISE RESCUE MISSION, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****September 30, 2014****With Comparative Totals for the Year Ended September 30, 2013****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, 2014 and 2013, the Mission contributed \$4,895 and \$3,222, respectively, to the plan.

NOTE I - LEASES

The Mission makes monthly lease payments of \$1,865 on office equipment. The lease payments extend through March 2017. Future minimum lease payments are as follows:

2015	\$	22,380
2016		22,380
2017		<u>11,190</u>
	<u>\$</u>	<u>55,950</u>

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.

SUPPLEMENTARY INFORMATION

BOISE RESCUE MISSION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2014

With Comparative Totals for the Year Ended September 30, 2013

	Boise Men's Program	Boise Women & Children	Nampa Womens Program	Nampa Men's Program	Total Program Services
Salaries	\$ 483,136	\$ 592,459	108,957	\$ 311,527	\$ 1,496,079
Payroll taxes	46,242	68,471	4,994	31,224	150,931
Employee benefits	61,655	104,797	1,795	85,807	254,054
Supplies and services	494,867	442,965	92,842	367,121	1,397,795
Communication					
Depreciation	21,891	18,903	4,336	9,640	54,770
Utilities and phone	93,390	69,265	12,363	54,085	229,103
Program expenses	65,034	27,890	2,013	12,614	107,551
Office expense	11,584	19,943	7,636	12,514	51,677
Insurance	18,488	29,825	2,673	20,534	71,520
Building maintenances	14,965	24,539	11,785	11,273	62,562
Interest					
Professional services		4,535			4,535
Transportation	4,975	21,708	6,014	14,462	47,159
Fundraising					
Dues and membership	520	574	394	1,111	2,599
Miscellaneous					
Rent	33	933		33	999
Professional development	1,690	907	226	1,388	4,211
Total	\$ 1,318,470	\$ 1,427,714	\$ 256,028	\$ 933,333	\$ 3,935,545

Harris & Co. PLLC

General and Administrative	Communications	Total Supporting Services	2014 Total	2013 Total
\$ 437,522	\$ 321,766	\$ 759,288	\$ 2,255,367	\$ 2,043,483
39,950	28,001	67,951	218,882	208,619
115,812	59,993	175,805	429,859	357,882
66,661	50,214	116,875	1,514,670	1,803,059
	549,251	549,251	549,251	595,145
24,407	3,531	27,938	82,708	66,586
34,927	8,021	42,948	272,051	240,750
7,494	3,981	11,475	119,026	110,800
26,270	50,995	77,265	128,942	78,140
19,904	978	20,882	92,402	72,636
6,064	16	6,080	68,642	59,981
18,748		18,748	23,283	20,917
27,760	6,294	34,054	81,213	38,308
13,936		13,936	13,936	
6,061	1,725	7,786	10,385	7,162
			999	4,600
542	898	1,440	5,651	3,555
\$ 846,058	\$ 1,085,664	\$ 1,931,722	\$ 5,867,267	\$ 5,711,623

BRM FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2014
 With Comparative Totals for the Year Ended September 30, 2013

	<u>Boise Men's Program</u>	<u>Boise Women & Children</u>	<u>Nampa Women & Children</u>	<u>Nampa Men's Program</u>	<u>Total Program Services</u>
Salaries	\$	\$	\$	\$	\$
Payroll taxes					
Employee benefits					
Supplies and services					
Communication					
Depreciation	64,423	70,412	5,815	63,686	204,336
Utilities and phone					
Program expenses					
Office expense					
Insurance					
Building maintenances					
Interest					
Professional services					
Transportation					
Fundraising					
Dues and membership					
Miscellaneous					
Rent					
Professional development					
Total	<u>\$ 64,423</u>	<u>\$ 70,412</u>	<u>\$ 5,815</u>	<u>\$ 63,686</u>	<u>\$ 204,336</u>

Harris & Co. PLLC

<u>General and Administrative</u>	<u>Communications</u>	<u>Total Supporting Services</u>	<u>2014 Total</u>	<u>2013 Total</u>
\$	\$	\$	\$	\$
				826
1,156	59,516	60,672	60,672	44,606
32,732		32,732	237,068	190,667
				164
1,352		1,352	1,352	11,971
29,134		29,134	29,134	47,428
8,614	3,150	11,764	11,764	22,787
				9,427
291		291	291	6,276
<u>\$ 73,279</u>	<u>\$ 62,666</u>	<u>\$ 135,945</u>	<u>\$ 340,281</u>	<u>\$ 334,152</u>