

SPRINGFIELD RESCUE MISSION, INC.

FINANCIAL STATEMENTS

MAY 31, 2014 AND 2013

SPRINGFIELD RESCUE MISSION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Springfield Rescue Mission, Inc.

I have audited the accompanying statements of financial statements of Springfield Rescue Mission, Inc. (a non-profit organization), which comprise the statements of financial position as of May 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Springfield Rescue Mission, Inc. as of May 31, 2014 and 2013, 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 "James B. Hawkes CPA PC". The signature is written in a cursive style with a large, looping initial "J".

James B. Hawkes, CPA, P.C.
Springfield, MA
November 19, 2014

SPRINGFIELD RESCUE MISSION, INC.
STATEMENT OF FINANCIAL POSITION
MAY 31, 2014 AND 2013

ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 37,755	\$ 24,879
Cash - certificate of deposit	9,111	9,084
Prepaid expenses	25,498	24,033
TOTAL CURRENT ASSETS	<u>72,364</u>	<u>57,996</u>
PROPERTY AND EQUIPMENT	1,796,542	1,781,151
Less - accumulated depreciation	753,356	697,062
TOTAL PROPERTY AND EQUIPMENT	<u>1,043,186</u>	<u>1,084,089</u>
OTHER ASSETS:		
Investments	14,303	13,242
TOTAL OTHER ASSETS	<u>14,303</u>	<u>13,242</u>
TOTAL ASSETS	<u>\$ 1,129,853</u>	<u>\$ 1,155,327</u>

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES:		
Current portion-long term debt	\$ 20,294	\$ 15,154
Accounts payable	188,147	91,025
Accrued expenses	17,819	18,748
TOTAL CURRENT LIABILITIES	<u>226,260</u>	<u>124,927</u>
LONG-TERM DEBT	<u>100,121</u>	<u>172,099</u>
NET ASSETS:		
Unrestricted:		
Designated	38,144	38,144
Undesignated	(359,278)	(264,532)
Equity in property and equipment	1,043,186	1,084,089
TOTAL UNRESTRICTED NET ASSETS	<u>722,052</u>	<u>857,701</u>
Temporarily restricted	81,420	600
TOTAL NET ASSETS	<u>803,472</u>	<u>858,301</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,129,853</u>	<u>\$ 1,155,327</u>

The accompanying notes are an integral part of this statement.

SPRINGFIELD RESCUE MISSION, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED MAY 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
UNRESTRICTED NET ASSETS:		
Support:		
Churches	\$ 81,302	\$ 84,611
Donated services and supplies	3,413,945	2,345,019
Fund raising - contributions	959,240	965,526
Grants	96,052	57,605
Individuals	570,335	495,209
Memorials and legacies	21,551	19,363
Newsletter income	235,177	207,757
Fund raising activities - net	-	3,749
TOTAL SUPPORT	<u>5,377,602</u>	<u>4,178,839</u>
Investment income (loss)	(373)	4,220
Insurance proceeds	-	15,156
Net assets released from restrictions:		
Restrictions satisfied by payment	96,939	113,803
TOTAL INCOME	<u>5,474,168</u>	<u>4,312,018</u>
Functional Expenses:		
Program services expenses	4,321,594	3,263,471
Support Services:		
Fund raising expenses	733,831	617,144
General and administrative expenses	474,372	457,445
TOTAL FUNCTIONAL EXPENSES	<u>5,529,797</u>	<u>4,338,060</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>(55,629)</u>	<u>(26,042)</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Designated project support-grants	80,820	108,500
Designated project support-other	16,919	5,303
Net assets released from restriction:		
Restriction satisfied by payments	(96,939)	(113,803)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>800</u>	<u>-</u>
DECREASE IN NET ASSETS	(54,829)	(26,042)
NET ASSETS, BEGINNING OF YEAR	<u>858,301</u>	<u>884,343</u>
NET ASSETS, END OF YEAR	<u>\$ 803,472</u>	<u>\$ 858,301</u>

The accompanying notes are an integral part of this statement.

SPRINGFIELD RESCUE MISSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2014

	<u>PROGRAM SERVICE EXPENSES</u>	<u>FUND RAISING EXPENSES</u>	<u>GENERAL & ADMIN EXPENSES</u>	<u>TOTAL</u>
Conferences and meetings	\$ 1,532	\$ -	\$ 1,532	\$ 3,064
Contributions	1,375	-	-	1,375
Depreciation	52,354	-	3,940	56,294
Donor solicitation and administration	-	34,250	-	34,250
Dues and subscriptions	2,602	-	2,602	5,204
Employee benefits	105,306	1,407	43,838	150,551
Equipment rental	8,255	-	8,256	16,511
Food and clothing	3,247,167	-	-	3,247,167
Fund raising - printing & postage	-	596,160	-	596,160
Fund raising - other	-	52,986	-	52,986
Insurance	27,904	-	6,004	33,908
Interest expense	-	-	10,267	10,267
Miscellaneous	7,706	-	14,797	22,503
Newsletter - printing & postage	55,472	-	55,471	110,943
Payroll taxes	33,121	443	13,788	47,352
Pension plan contributions	23,894	319	9,947	34,160
Postage and printing	69	23	46,682	46,774
Professional services	-	-	21,968	21,968
Radio ministry	33,427	-	-	33,427
Repairs and maintenance	34,353	42,152	38,921	115,426
Salaries and wages	446,356	5,965	185,812	638,133
Service contracts	-	-	-	-
Supplies	183,146	126	4,581	187,853
Telephone	6,333	-	2,111	8,444
Utilities	51,222	-	3,855	55,077
TOTAL FUNCTIONAL EXPENSES	<u>\$4,321,594</u>	<u>\$ 733,831</u>	<u>\$ 474,372</u>	<u>\$ 5,529,797</u>

SPRINGFIELD RESCUE MISSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MAY 31, 2013

	<u>PROGRAM SERVICE EXPENSES</u>	<u>FUND RAISING EXPENSES</u>	<u>GENERAL & ADMIN EXPENSES</u>	<u>TOTAL</u>
Conferences and meetings	\$ 3,055	\$ -	\$ 3,055	\$ 6,110
Contributions	2,475	-	-	2,475
Depreciation	50,798	-	3,823	54,621
Donor solicitation and administration	-	33,000	-	33,000
Dues and subscriptions	2,920	-	2,920	5,840
Employee benefits	98,018	1,254	40,763	140,035
Equipment rental	11,300	-	11,300	22,600
Food and clothing	1,973,808	-	-	1,973,808
Fund raising - printing & postage	-	447,309	-	447,309
Fund raising - other	-	91,372	-	91,372
Insurance	27,355	-	5,367	32,722
Interest expense	-	-	5,219	5,219
Miscellaneous	5,678	-	11,372	17,050
Newsletter - printing & postage	49,586	-	49,586	99,172
Payroll taxes	32,960	422	13,706	47,088
Pension plan contributions	22,716	291	9,447	32,454
Postage and printing	267	89	50,675	51,031
Professional services	-	-	18,124	18,124
Radio ministry	33,774	-	-	33,774
Repairs and maintenance	62,016	36,212	35,045	133,273
Salaries and wages	432,707	5,535	179,949	618,191
Service contracts	-	-	-	-
Supplies	388,600	1,660	10,673	400,933
Telephone	5,798	-	1,933	7,731
Utilities	59,640	-	4,488	64,128
TOTAL FUNCTIONAL EXPENSES	<u>\$3,263,471</u>	<u>\$ 617,144</u>	<u>\$ 457,445</u>	<u>\$4,338,060</u>

The accompanying notes are an integral part of this statement.

SPRINGFIELD RESCUE MISSION, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED MAY 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (54,829)	\$ (26,042)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	56,294	54,621
Donation of securities	(1,609)	-
Gain on sale of investments	-	(1,432)
(Increase) decrease in market value investments	734	(2,203)
Change in assets and liabilities:		
Prepaid expenses	(1,465)	9,870
Accounts payable	97,122	57,567
Accrued expenses	(929)	(15,980)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>95,318</u>	<u>76,401</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on sale of investments	-	24,216
Purchase of investments	(186)	(233)
Purchase - certificate of deposit	(27)	(29)
Purchases of property and equipment	(15,391)	(295,902)
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(15,604)</u>	<u>(271,948)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	-	195,154
Repayment on note payable	(66,838)	(34,333)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(66,838)</u>	<u>160,821</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,876	(34,726)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>24,879</u>	<u>59,605</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 37,755</u>	<u>\$ 24,879</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest expense	<u>\$ 10,267</u>	<u>\$ 5,219</u>
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The accompanying notes are an integral part of this statement.

SPRINGFIELD RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2014 AND 2013

1. ORGANIZATION:

a. Statement of purpose:

The Springfield Rescue Mission, Inc. (the Mission) is incorporated as a not-for-profit organization to meet the physical and spiritual needs of the hungry, homeless, addicted, and poor by introducing them to Christ and helping them to apply the Word of God to every area of their lives. This is accomplished through the holding of chapel services; the distribution of Christian literature; training in basic life skills through a discipleship program; the provision of food, clothing, lodging, medical attention, and other aid; solicitation of employment opportunities for unfortunate persons. The Mission has the power to maintain appropriate buildings and to receive and disburse funds for these purposes. The Mission is committed to carrying out the above ministries in faith in accordance with and adherence to Biblical truth and doctrine. The Organization is supported primarily through donor contributions, grants, memorials and legacies.

b. Mission statement:

The goal of the Springfield Rescue Mission since 1892 has been to meet the physical and spiritual needs of the hungry, homeless, addicted, and poor by introducing them to Christ and helping them apply the word of GOD to every area of their lives.

c. Programs:

All programs are provided free of charge. This provides an opportunity for fiscal savings as well as community involvement. Therefore, residents are expected to help maintain the Missions' facilities and service to others. This provides a structured environment for each of our residents in developing new life skills and future success.

RESIDENTIAL REHABILITATION AND EMPLOYMENT READINESS PROGRAM-For men in the throes of addiction; their spirits can be easily broken. Homelessness and poverty can drive broken souls into disastrous living situations. The Mission's residential rehabilitation program provides a safe environment to address substance abuse issues, and programs to equip people with the tools and skills they need to live productive lives. Our guests receive guidance through daily programs, substance abuse treatment, anger management, job training, housing, and personal budgeting assistance. In addition, guests participate in classes on

1. ORGANIZATION: (continued)

living independently, developing meaningful relationships, and improving social skills. When guests are ready to embrace independent living with a community-based support network, graduates are provided with community advocacy and aftercare planning. On a yearly basis hundreds of lives are transformed through our residential rehabilitation program.

EMERGENCY SHELTER - Emergency shelter program is a place where men who are homeless can find hot meals and safe refuge from weather and city streets. Any guests may request case management services, apply for other mission programs, and receive opportunities to participate in mission sponsored activities.

OPERATION SUNSHINE MEALS PROGRAM - Many people do not have the means to both pay monthly bills and to feed their families. As a result, they may fall behind on their rent and utilities bills, and eventually risk losing their home. Our community meals, food and clothing service programs, feed and clothe families and ease financial strains so our neighbors may stretch already thin resources to pay rent and maintain a stable living situation. Through our operation sunshine program, residential rehabilitation program, and food pantry, the mission serves over 100,000 meals each year.

EMPLOYMENT PREPARATION PROGRAM - Our employment preparation program is designed to provide mission program members with the effective training necessary for them to successfully become part of the workforce. We teach and develop work ethics as skills, coping abilities, positive attitudes, and self-confidence to be successful in today's employment environment. The missions learning center is a computer based learning program assessing resident learning level and aiding in resume, job application, interview skills, and if needed, further education to find long-term employment for sustained independence.

MINISTRY AND SPIRITUAL DEVELOPMENT - Through the missions spiritual development program the healing power of GOD's love can transform lives in a meaningful and lasting way. A network of resources is available for those seeking spiritual council. Our guests participate in local church services, bible study classes, and develop spiritual mentoring relationships on their journey through forgiveness, acceptance and rebuilding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Classes of Net Assets:

The financial statements of the Mission report amounts separated by class of funds or net assets.

1. Unrestricted amounts are those currently available at the discretion of the board for use in the Mission's operations and those resources invested in property and equipment.
2. Temporarily restricted amounts are those stipulated by donors for specific operating purposes or for the acquisition of property and equipment.
3. Permanently restricted amounts are those that represent permanent endowments where it is stipulated by donors that the principal remain in perpetuity and only the income is available as unrestricted or temporarily restricted, as per endowment agreements. The Mission currently does not have any permanently restricted funds.

All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

b. Cash and Cash Equivalents:

Cash includes checking, savings, and money market accounts. Certificates of deposit with an original maturity of three months or less when purchased are considered to be cash equivalents.

c. Property and Equipment:

Property and equipment are recorded at cost when purchased or, if donated, at estimated fair market value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

<u>Assets</u>	<u>Years</u>
Building	40
Building improvements	20 - 40
Furniture and fixtures	5 - 10
Motor vehicle	5 - 10

The Mission reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

d. Property and Equipment: (continued)

restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulation about how long-lived assets must be maintained, the Mission reports expiration of donor restrictions when the donated or acquired long-lived assets are placed in service.

e. Investments:

Investments in equity securities with readily determinable fair values and all debt securities, are classified as available for sale and are carried at fair value with gains and losses included as unrestricted net assets in the statement of activities. Donated investments are recorded at fair value on the date of donation and thereafter carried in accordance with the above provisions.

f. Functional Allocation of Expenses:

The costs of providing various programs and supporting services have been summarized on the statement of activities and net assets. Accordingly, certain costs have been allocated among program, administrative, and fund raising services benefited.

g. Gifts-in-Kind:

Donation income is recorded when cash is received or ownership of donated assets is transferred to the Mission. Gifts-in-kind, including clothing, food, toiletries, supplies and miscellaneous household items are recorded at their estimated retail cost if new, or their estimated fair market value if used. Donated property and equipment are recorded at appraised value. Services are valued based on the type of services provided. Professional donated services are recorded and valued based on the going rate or salary that the individual would command in the market place provided the Mission would otherwise have purchased the services. Non-professional donated services which create or enhance a nonfinancial asset are valued at approximately minimum wage or a rate appropriate for the type of work the individual is performing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

h. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

i. Fair Value:

In accordance with Codification Topic 820 (ASC 820) the entity reports its qualifying assets and liabilities in accordance with the Fair Value Measurements and Disclosures Standards under U.S. GAAP. These standards define fair value, establish a framework for measuring fair value, and expand disclosure about fair value measurements. This policy establishes a fair value framework that prioritizes the inputs and assumptions used to measure fair value.

The three levels of the fair value framework are as follows:

Level 1 - Inputs reflect unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable.

A qualifying asset or liability's level within fair value framework is based upon the lowest level of any input that is significant to the fair value measurement. The Mission's qualifying assets or liabilities are recorded at fair value using Level 1 inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

j. Income Taxes:

The Mission is exempt from federal and state income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code. The Mission has adopted the provisions of the Accounting for Uncertainty in Income Taxes topic of FASB ASC. This guidance addresses the accounting uncertainty in income taxes recognized in an organization's financial statements and prescribes a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It also provides related guidance on measurement classification, interest and penalties and disclosures. As a result of the implementation of this guidance, the Mission has determined that it has no uncertain tax positions requiring accrual and disclosure.

The Mission files Return of Organization Exempt From Income Tax for U.S Federal reporting and also files related Massachusetts and Connecticut reporting forms. The Mission does not have any unrelated business taxable income and as such does not file these forms in any jurisdiction. The Mission is not under audit in any jurisdiction for any period, and its tax returns are current. Generally, tax years are open for IRS audit for up to three years.

3. INVESTMENTS:

Investments as of May 31, 2014 and 2013, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
2014:			
Marketable Securities	\$ 8,702	\$ 14,303	\$ 14,303
2013:			
Marketable Securities	\$ 6,797	\$ 13,242	\$ 13,242
		<u>2014</u>	<u>2013</u>
Investment return is summarized as follows:			
Dividend income, investments		\$ 334	\$ 533
Interest income, savings and CD's		27	52
Realized gain (loss) on investments			1,432
Unrealized gain (loss) on investments		<u>(734)</u>	<u>2,203</u>
TOTAL		<u>\$ (373)</u>	<u>\$ 4,220</u>

4. PROPERTY AND EQUIPMENT:

	<u>2014</u>	<u>2013</u>
Land	\$ 43,657	\$ 43,657
Buildings	149,746	149,746
Advance construction costs	15,592	7,040
Building improvements	1,081,601	1,081,601
Motor vehicles	97,621	97,621
Furniture and fixtures	408,325	401,486
TOTAL	<u>1,796,542</u>	<u>1,781,151</u>
Less - accumulated depreciation	753,356	697,062
TOTAL PROPERTY AND EQUIPMENT	<u>\$ 1,043,186</u>	<u>\$ 1,084,089</u>

5. LONG-TERM DEBT:

The Mission executed a note payable with a local Bank for \$150,000, unsecured. Principal repayment started June 11, 2013 at the rate of \$842 per month including interest at 6.25% per annum. Note balance at May 31, 2014 and 2013 was \$81,501 and \$106,087, respectively.

The Mission executed a note payable (modified December 22, 2012) with a local Bank for \$100,000, unsecured. Note is payable over 5.5 years (maturity date June 22, 2017) with interest only payable for 6 months (during construction) and principal and interest payable over 5 years at 6.25% per annum. The construction period and loan proceeds draw down have been extended for 6 months through August 11, 2012. Principal and interest payments started August 22, 2013 in the amount of \$1,151. Note balance at May 31, 2014 and 2013 was \$38,914 and \$81,166, respectively.

	<u>2014</u>	<u>2013</u>
Total	\$ 120,415	\$ 187,253
Less current portion	(20,294)	(15,154)
Long-term Debt	<u>\$ 100,121</u>	<u>\$ 172,099</u>

Estimated 5 year maturities of long-term debt are as follows:

<u>YEAR ENDING MAY 31,</u>	<u>AMOUNT</u>
2015	20,294
2016	23,019
2017	12,092
2018	6,219
2019	6,619

6. RETIREMENT PLAN:

The Mission sponsors a Simplified Employee Pension (SEP) Retirement Plan covering all eligible employees. The Board of Directors of the Mission can authorize contributions to a maximum of 15% of compensation of eligible participants. For the years ended May 31, 2014 and 2013 contributions to the plan were \$34,160 and \$32,454, respectively.

7. NET ASSETS:

a. Unrestricted/designated

The board of directors has designated a portion of the operating fund balance to be reserved for special projects or emergencies. The working capital reserve was established to provide approximately 2 months of operating capital should operating results fall below a specified level.

	2014	2013
Working capital reserve	<u>\$ 38,144</u>	<u>\$ 38,144</u>

b. Temporarily restricted

The Mission has received contributions from various individuals or organizations, which have been restricted as to use. The types of use include architectural services, mission expansion, kitchen equipment, and other capital assets; the Mission has also received funds for literacy programs, outreach programs, utilities and miscellaneous other operating expenses items. Temporarily restricted funds consisted of the following at May 31, 2014 and 2013:

	2014	2013
Capital assets	\$ 800	\$ -
Operating	600	600
	<u>\$ 1,400</u>	<u>\$ 600</u>

8. COMMITMENTS:

The Mission has a \$100,000 working capital line of credit, unsecured, and is subject to monthly interest payments at the prime rate plus 1.00% per annum. The line must be paid in full for at least 30 days during the fiscal year. The balance at May 31, 2014 and 2013 was \$-0- and \$-0-, respectively.

9. DONATED MATERIALS AND SERVICES:

The value of donated materials and services included in the financial statements and the corresponding expenditures for the year ended May 31, 2014 and 2013 is as follows:

	2014	2013
Food and clothing	\$ 3,243,753	\$ 1,968,608
Supplies and miscellaneous	144,812	351,063
Salaries and wages	25,380	25,348
	<u>\$ 3,413,945</u>	<u>\$ 2,345,019</u>

The salaries and wages that have been included in the financial statements as indicated above are for professional services provided by nurses, clergy, barbers, and computer programmers. The above services were all used in the main program of operating the mission for the benefit of the individuals who are housed and/or pass through its doors.

Additionally, donated services were provided to the Mission which do not meet the criteria for recording under Generally Accepted Accounting Principal SFAS No. 116, however, these donated services are an important part of operating and maintaining the Mission. These services include, but are not limited to, repair and maintenance, pick-up and delivery drivers, food preparation, counseling and tutoring, and a host of other miscellaneous activities that help the Mission to operate to its fullest potential. The Mission received approximately 33,426 hours or \$287,564 for 2014 and 32,282 hours or \$278,408 for 2013 worth of additional donated services, which are not recorded in the financial statements.

10. EVALUATION OF SUBSEQUENT EVENTS:

The Missions has evaluated subsequent events through November 19, 2014, the date the financial statements were available to be issued.