

# **Shreveport-Bossier Rescue Mission, Inc.**

**FINANCIAL STATEMENTS**  
Years Ended June 30, 2015 and 2014



**Shreveport-Bossier  
Rescue Mission, Inc.**

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**FINANCIAL STATEMENTS**  
Years Ended June 30, 2015 and 2014

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Contents

|  |       |
|--|-------|
| <b>Independent Auditor's Report</b>  | 3-4   |
| <b>Financial Statements</b>  |       |
| Statements of Financial Position   | 5     |
| Statements of Activities   | 6     |
| Statements of Functional Expenses  | 7     |
| Statements of Cash Flows   | 8     |
| Summary of Accounting Policies   | 9-12  |
| Notes to Financial Statements  | 13-18 |
| <b>Other Financial Information</b>   |       |
| Statement of Revenues and Expenses for<br>Thrift Store and Enterprise Operations | 20    |



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## **Independent Auditor's Report**

To the Board of Directors  
Shreveport-Bossier Rescue Mission, Inc.  
Shreveport, Louisiana

I have audited the accompanying financial statements of Shreveport-Bossier Rescue Mission, Inc., which comprise the statements of financial position for the years ended June 30, 2015 and the related statements of activities, cash flows and functional expenses for the years then ended, and summary of significant accounting policies and the related notes to financial statements. The financial statements of Shreveport-Bossier Rescue Mission, Inc., as of December 31, 2014, and for the year then ended were audited by other auditors whose expressed an unqualified opinion on those financial statements in their report dated November 3, 2015 prior to the restatement as discussed in Note 12 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 audit. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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 Shreveport-Bossier Rescue Mission, Inc. as of June 30, 2015, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. I also audited the adjustments described in Note 12 that were applied to restate the 2014 financial statements. In my opinion, such adjustments are appropriate and have been properly applied.

### *Report on Supplementary Information*

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Revenues and Expenses for Thrift Store and Enterprise Operations on page 21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information for the period ended June 30, 2015 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*James R. McChesney, CPA LLC*

Certified Public Accountant

Shreveport, Louisiana  
July 29, 2016

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Statements of Net Position

| <i>June 30,</i>                              | <b>2015</b>        | 2014        |
|--|--------------------|-------------|
| <b>Assets</b>                                |                    |             |
| <b>Current assets:</b>                       |                    |             |
| Cash and cash equivalents (Note 1)           | \$ <b>222,827</b>  | \$ 109,812  |
| Prepaid expenses                             | <b>7,470</b>       | 9,034       |
| Succession trust assets                      | -                  | 39,313      |
| Total current assets                         | <b>230,297</b>     | 158,159     |
| Property and equipment, net (Notes 3 and 10) | <b>4,148,266</b>   | 4,269,832   |
| Long-term investments (Notes 2 & 6)          | <b>833,365</b>     | 907,882     |
| <b>Total Assets</b>                          | <b>\$5,211,928</b> | \$5,335,873 |
| <b>Liabilities and Net Assets</b>            |                    |             |
| <b>Current liabilities:</b>                  |                    |             |
| Accounts payable and accrued liabilities     | \$ <b>35,922</b>   | \$ 21,061   |
| Notes payable-current portion (Note 5)       | <b>76,216</b>      | 87,049      |
| Total current liabilities                    | <b>112,138</b>     | 108,110     |
| Long-term debt (Note 5)                      | <b>1,264,903</b>   | 1,340,613   |
| <b>Total Liabilities</b>                     | <b>1,377,041</b>   | 1,448,723   |
| <b>Net assets:</b>                           |                    |             |
| Unrestricted (Note 12)                       | <b>3,784,887</b>   | 3,837,150   |
| Temporarily restricted                       | <b>50,000</b>      | 50,000      |
| Total net assets (Note 12)                   | <b>3,834,887</b>   | 3,887,150   |
| <b>Total Liabilities and Net Assets</b>      | <b>\$5,211,928</b> | \$5,335,873 |

*See accompanying summary of accounting policies and notes to financial statements.*

# Shreveport-Bossier Rescue Mission, Inc.

## Statements of Activities

| Years Ended June 30,                           | 2015               |                        |                    | 2014               |                        |                    |
|--|--------------------|------------------------|--------------------|--------------------|------------------------|--------------------|
|  | Unrestricted       | Temporarily Restricted | Total              | Unrestricted       | Temporarily Restricted | Total              |
| <b>Revenue:</b>                                |                    |                        |                    |                    |                        |                    |
| Contributions (Note 8)                         | \$1,563,677        | \$ -                   | \$1,563,677        | \$1,501,888        | \$ -                   | \$1,501,888        |
| Thrift store and enterprise operations         | 476,070            | -                      | 476,070            | 493,284            | -                      | 493,284            |
| Program service revenue                        | 264,314            | -                      | 264,314            | 290,207            | -                      | 290,207            |
| Gain on sale of assets                         | 92,500             | -                      | 92,500             | -                  | -                      | -                  |
| Charitable gift fund                           | 89,031             | -                      | 89,031             | -                  | -                      | -                  |
| Fundraising                                    | 48,535             | -                      | 48,535             | 75,293             | -                      | 75,293             |
| Miscellaneous income                           | 14,236             | -                      | 14,236             | 18,234             | -                      | 18,234             |
| Grants (Note 9)                                | 13,641             | -                      | 13,641             | 22,204             | -                      | 22,204             |
| Investment income                              | 9,716              | -                      | 9,716              | 85,270             | -                      | 85,270             |
| Rental income                                  | 7,000              | -                      | 7,000              | -                  | -                      | -                  |
| Contributions-succession (Note 11)             | -                  | -                      | -                  | 100,000            | -                      | 100,000            |
| <b>Total revenue</b>                           | <b>2,578,720</b>   | <b>-</b>               | <b>2,578,720</b>   | <b>2,586,380</b>   | <b>-</b>               | <b>2,586,380</b>   |
| <b>Expenses:</b>                               |                    |                        |                    |                    |                        |                    |
| Program services                               | 1,343,110          | -                      | 1,343,110          | 1,709,103          | -                      | 1,709,103          |
| General and administrative                     | 541,010            | -                      | 541,010            | 619,651            | -                      | 619,651            |
| Fundraising                                    | 333,486            | -                      | 333,486            | 275,837            | -                      | 275,837            |
| Enterprise                                     | 413,377            | -                      | 413,377            | 378,481            | -                      | 378,481            |
| <b>Total expenses</b>                          | <b>2,630,983</b>   | <b>-</b>               | <b>2,630,983</b>   | <b>2,983,072</b>   | <b>-</b>               | <b>2,983,072</b>   |
| <b>Increase (decrease) in net assets</b>       | <b>(52,263)</b>    | <b>-</b>               | <b>(52,263)</b>    | <b>(396,692)</b>   | <b>-</b>               | <b>(396,692)</b>   |
| <b>Net assets, beginning of year (Note 12)</b> | <b>3,837,150</b>   | <b>50,000</b>          | <b>3,887,150</b>   | <b>4,183,842</b>   | <b>50,000</b>          | <b>4,233,842</b>   |
| <b>Prior period adjustment (Note 12)</b>       | <b>-</b>           | <b>-</b>               | <b>-</b>           | <b>50,000</b>      | <b>-</b>               | <b>50,000</b>      |
| <b>Net assets, end of year</b>                 | <b>\$3,784,887</b> | <b>\$50,000</b>        | <b>\$3,834,887</b> | <b>\$3,837,150</b> | <b>\$50,000</b>        | <b>\$3,887,150</b> |

See accompanying summary of accounting policies and notes to financial statements.

2015

| <i>Years Ended June 30,</i>         | <b>Program Services</b> | <b>General and Administrative</b> | <b>Fundraising</b> | <b>Enterprise</b> | <b>Total Expenses</b> |
|-------------------------------------|-------------------------|-----------------------------------|--------------------|-------------------|-----------------------|
| <b>Expenses:</b>                    |                         |                                   |                    |                   |                       |
| Advertising                         | \$ -                    | \$ 7,329                          | \$181,118          | \$ 50             | \$ 188,497            |
| Building and maintenance            | 29,798                  | 12,088                            | 102                | 17,310            | 59,298                |
| Depreciation and impairment         | 173,045                 | 13,459                            | 5,768              | -                 | 192,272               |
| Dues and subscriptions              | 4,473                   | 8,456                             | 5,424              | 25                | 18,378                |
| Insurance                           | 156,300                 | 46,889                            | 19,663             | 29,242            | 252,094               |
| Interest and service charges        | -                       | 92,107                            | 381                | 3,765             | 96,253                |
| Miscellaneous                       | 22,265                  | 6,131                             | 918                | 21,799            | 51,113                |
| Payroll                             | 638,844                 | 241,762                           | 85,075             | 252,901           | 1,218,582             |
| Printing and postage                | 364                     | 4,251                             | 7,444              | 58                | 12,117                |
| Professional fees                   | -                       | 64,782                            | -                  | -                 | 64,782                |
| Special events                      | 10,402                  | 779                               | 27,593             | -                 | 38,774                |
| Supplies                            | 156,188                 | 9,427                             | -                  | 35,865            | 201,480               |
| Telephone, television and utilities | 134,382                 | 18,515                            | -                  | 32,124            | 185,021               |
| Vehicle operations                  | 17,049                  | 15,035                            | -                  | 20,238            | 52,322                |
| <b>Total expenses</b>               | <b>\$1,343,110</b>      | <b>\$541,010</b>                  | <b>\$333,486</b>   | <b>\$413,377</b>  | <b>\$2,630,983</b>    |



# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Statements of Functional Expenses

2014

| Program Services | General and Administrative | Fundraising | Enterprise | Total Expenses |
|------------------|----------------------------|-------------|------------|----------------|
| \$ -             | \$ -                       | \$134,646   | \$ -       | \$ 134,646     |
| 46,726           | 21,976                     | -           | 46,707     | 115,409        |
| 129,944          | 10,107                     | 4,332       | -          | 144,383        |
| 4,711            | 15,948                     | -           | 1,041      | 21,700         |
| 166,084          | 49,825                     | 20,894      | 31,074     | 267,877        |
| 14,775           | 86,906                     | 2,125       | 4,290      | 108,096        |
| 16,500           | 34,472                     | -           | 1,700      | 52,672         |
| 853,483          | 171,609                    | 113,840     | 236,057    | 1,374,989      |
| 138              | 42,453                     | -           | -          | 42,591         |
| 0                | 82,216                     | -           | -          | 82,216         |
| 32,855           | 12,653                     | -           | 382        | 45,890         |
| 282,669          | 61,630                     | -           | 3,424      | 347,723        |
| 138,901          | 18,278                     | -           | 26,644     | 183,823        |
| 22,317           | 11,578                     | -           | 27,162     | 61,057         |
| \$1,709,103      | \$619,651                  | \$275,837   | \$378,481  | \$2,983,072    |

# Shreveport-Bossier Rescue Mission, Inc.

## Statements of Cash Flows

| Years Ended June 30,  | 2015         |                        |             | 2014         |                        |              |
|---|--------------|------------------------|-------------|--------------|------------------------|--------------|
|   | Unrestricted | Temporarily Restricted | Total       | Unrestricted | Temporarily Restricted | Total        |
| <b>Cash Flows From Operating Activities:</b>  |              |                        |             |              |                        |              |
| Increase (decrease) in net assets   | \$ (52,263)  | \$ -                   | \$ (52,263) | \$ (396,692) | \$ -                   | \$ (396,692) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |              |                        |             |              |                        |              |
| Depreciation and asset impairment   | 192,272      | -                      | 192,272     | 144,385      | -                      | 144,385      |
| Gain on sale of assets  | (92,500)     | -                      | (92,500)    | -            | -                      | -            |
| Gain on sale of investments   | (8,135)      | -                      | (8,135)     | (85,582)     | -                      | (85,582)     |
| Noncash gifts   | -            | -                      | -           | (100,000)    | -                      | (100,000)    |
| Change in operating assets and liabilities:   |              |                        |             |              |                        |              |
| Prepaid expenses  | 1,564        | -                      | 1,564       | (8,864)      | -                      | (8,864)      |
| Increase in assets held for sale  | (14,259)     | -                      | (14,258)    | (18,000)     | -                      | (18,000)     |
| Succession trust assets   | 39,313       | -                      | 39,313      | 62,500       | -                      | 62,500       |
| Accounts payable and accrued liabilities  | 14,861       | -                      | 14,861      | 11,813       | -                      | 11,813       |
| Net cash used by operating activities   | 80,853       | -                      | 80,853      | (390,440)    | -                      | (390,440)    |
| <b>Cash Flows From Investing Activities:</b>  |              |                        |             |              |                        |              |
| Purchase of property and equipment  | (56,447)     | -                      | (56,447)    | (207,748)    | -                      | (207,748)    |
| Proceeds from sale of assets  | 92,500       | -                      | 92,500      | -            | -                      | -            |
| Net (purchase) redemption of investments  | 82,652       | -                      | 82,652      | (79,644)     | -                      | (79,644)     |
| Net cash used by investing activities   | 118,705      | -                      | 118,705     | (287,392)    | -                      | (287,392)    |
| <b>Cash Flows From Financing Activities:</b>  |              |                        |             |              |                        |              |
| Proceeds from borrowing   | -            | -                      | -           | 1,427,662    | -                      | 1,427,662    |
| Payments on bank loans  | (86,543)     | -                      | (86,543)    | (1,452,833)  | -                      | (1,452,833)  |
| Net cash used by financing activities   | (86,543)     | -                      | (86,543)    | (25,171)     | -                      | (25,171)     |
| Net increase (decrease) in cash   | 113,015      | -                      | 113,015     | (703,003)    | -                      | (703,003)    |
| Cash, at beginning of year  | 109,812      | -                      | 109,812     | 812,815      | -                      | 812,815      |
| Cash, at end of year  | 222,827      | -                      | 222,827     | 109,812      | -                      | 109,812      |
| Interest paid   | \$ 87,189    | \$ -                   | \$ 87,189   | \$ 84,047    | \$ -                   | \$ 84,047    |

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Summary of Significant Accounting Policies

### **Business**

The Shreveport-Bossier Rescue Mission (the Mission) is a nonprofit corporation organized under the laws of the State of Louisiana on a nonstock basis having one class of member. The Shreveport-Bossier Rescue Mission is incorporated as a nonprofit rehabilitation and educational program for disadvantaged men, women and children.

Substantially all of the Mission's revenue is from the contributions from individuals, businesses and churches. Accordingly, the Mission is heavily dependent on the local community and stability of the local economy in which it operates.

### **Basis of Presentation**

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets are classified into one of the following categories:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Mission. Restricted assets received and expended in the same year are classified as unrestricted.

Temporarily Restricted – Net assets whose use by the Mission is subject to donor-imposed stipulations that can be fulfilled by actions of the Mission pursuant to those stipulations or that expire through the passage of time.

Permanently Restricted – Net assets whose use by the Mission is subject to donor-imposed stipulations that assets be maintained permanently by the Mission. The donors of these assets permit the Mission to use all or part of the investment return of these assets for continuing operations which may be subject to certain restrictions.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as transfers between the applicable classes of net assets. Gains and losses on investments and other assets and liabilities are reported as increases and decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Summary of Significant Accounting Policies

*(Continued)*

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Significant estimates made by management include the depreciable life of assets.

### **Property and Equipment**

Beginning in 1994, the Mission began capitalizing the acquisition cost of land, buildings, furniture and equipment. Acquisitions in prior years were expensed in the year of acquisition.

Depreciation expense is calculated based upon the assets' estimated useful lives using the straight-line method. Useful lives at June 30, 2015 are as follows:

|                           |            |
|---------------------------|------------|
| Buildings and renovations | 40 years   |
| Furniture and equipment   | 5-10 years |
| Transportation equipment  | 5 years    |

### **Liabilities**

Unremitted withheld payroll taxes and unremitted sales tax collected from customers of the Thrift Store are recognized as liabilities on the Statement of Financial Position.

### **Reclassifications**

Certain prior year amounts have been reclassified to conform to current year presentation.

### **Revenue Recognition**

Unrestricted contributions and grants are recognized as revenue in the period in which the donation is received or the grant is due and payable to the Mission.

# Shreveport-Bossier Rescue Mission, Inc.

## Summary of Accounting Policies

*(Continued)*

### **Revenue Recognition (concluded)**

The Mission reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose 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. The net change in assets of other funds are reported as offsetting revenue (expense) solely to simplify financial statement presentation. Restricted donations on which the restriction expires in the same period as the revenue is recognized are reported as unrestricted revenues.

Support arising from donated goods, property and services is recognized in the financial statements at its fair value.

### **Allowance for Doubtful Accounts**

The Mission records an allowance for doubtful accounts based on specifically identified amounts believed to be uncollectible. Any unanticipated change in one of those customers' credit worthiness or other matters affecting collectability of amounts due from such customers could have a material effect on the Mission's results of operations in the period in which such changes or events occur. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. At June 30, 2015 and 2014, the allowance for doubtful accounts totaled \$0 and \$0 respectively.

### **Income Taxes**

The Mission is exempt from federal income tax under provisions of Section 501(c)(5) of the Internal Revenue Code of 1986 and exempt from state income tax under appropriate provisions in the laws of the State of Louisiana.

The Mission has adopted ASC 740, Accounting for Uncertainty in Income Taxes. Management has evaluated the Mission's tax positions and concluded that the Mission has taken no uncertain tax positions that require adjustment to the financial statements in order to comply with the provisions of ASC 740. In addition, Management is not aware of any matters that would cause the Fair to lose its tax-exempt status.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Summary of Accounting Policies

*(Concluded)*

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**Statements of  
Cash Flows**

For purposes of the statements of cash flows, the Mission considers all cash in bank accounts and highly liquid debt instruments with an original or remaining maturity of three months or less, to be cash equivalents. Highly liquid debt instruments with remaining lives in excess of three months are classified as short-term investments.

**Functional Expenses**

Functional expenses have been allocated between Program Services, General and Administrative, Fundraising and Enterprise based on an analysis of personnel time and space utilized for the related activities.

**Advertising and  
Development Costs**

The Mission expenses advertising as it is incurred. The Mission expended approximately \$188,497 and \$134,646 in the years ended June 30, 2015 and 2014, respectively, for advertising.

**Subsequent Events**

Management evaluated events subsequent to the Mission's most recent year end through July 29, 2016, the date the financial statements were available for issuance.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements

**1. Cash** Included in cash at June 30, 2015 and 2014 are interest bearing deposits totaling \$222,827 and \$109,812, respectively.

**2. Investments** The value of the investments at June 30, 2015 and 2014 is summarized as follows:

|  | 2015      |            | 2014      |            |
|--|-----------|------------|-----------|------------|
|  | Cost      | Fair Value | Cost      | Fair Value |
|  | \$813,210 | \$833,365  | \$861,537 | \$907,882  |

**3. Property and Equipment** Depreciation for financial reporting purposes is provided on the straight-line method based upon the estimated useful lives of the assets as follows:

|                           |            |
|---------------------------|------------|
| Buildings and renovations | 40 years   |
| Furniture and equipment   | 5-10 years |
| Transportation equipment  | 5 years    |
| Software                  | 5 years    |

The major classifications of property and equipment for the years ended June 30, 2015 and 2014 were as follows:

|   | 2015                | 2014         |
|---|---------------------|--------------|
| Buildings and renovation  | \$ 4,479,135        | \$ 4,448,737 |
| Furniture & equipment   | 498,412             | 351,278      |
| Transportation equipment  | 84,338              | 80,338       |
| Software  | 12,209              | 5,038        |
| Land  | 519,864             | 519,864      |
|   | <b>5,593,958</b>    | 5,405,255    |
| Less accumulated depreciation and amortization including impairment reserve of \$43,014 | <b>1,445,692</b>    | 1,253,423    |
| <b>Net property and equipment</b>   | <b>\$ 4,148,266</b> | \$ 4,151,832 |

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements (Continued)

- 4. Donated Materials, Equipment and Services** During the course of operations, the Mission receives donations of material and equipment from many business and individuals. While the Mission recognized the importance of the volunteers and the donated material and equipment, no objective basis for valuation of these items was determined and they are not included in the financial statements.

- 5. Notes Payable** Notes payable and long-term debt consist of the following at June 30:

|   | 2015               | 2014        |
|---|--------------------|-------------|
| Note payable for facilities due 9/21/2021; and bears a 4.95% interest rate. Monthly payments of \$12,319 through 8/12/2021 and a balloon payment of \$776,825 upon maturity. Demand feature waived through June 30, 2016. Secured by a building | <b>\$1,341,119</b> | \$1,427,662 |
| Less current maturities of long-term debt   | <b>(76,216)</b>    | (87,049)    |
| Long-term debt less current portion   | <b>\$1,264,903</b> | \$1,340,613 |

The amount of interest for 2015 and 2014 was \$87,189 and \$84,047 respectively.

Schedule of maturities is as follows:

| Year Ended June 30, | Amount             |
|---------------------|--------------------|
| 2016                | \$ 76,216          |
| 2017                | 87,177             |
| 2018                | 91,592             |
| 2019                | 96,230             |
| Thereafter          | 989,904            |
| Total               | <b>\$1,341,119</b> |



# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements (Continued)

### 6. Fair Value Disclosures

The Mission utilizes fair value measurements to record certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of further cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

FASB Accounting Standards Codification Topic 820, *Fair Value Measurements*, establishes a three-tier hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the Fair has the ability to access.

Level 2 – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that generally include situations where there is little, if any, market activity of the investment. The inputs into determination of fair value require significant management judgement or estimation.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements (Continued)

### 6. Fair Value Disclosures - (continued)

Fair values of assets measured on a recurring basis at June 30, 2015 and 2014 are as follows:

Asset at Fair Value as of June 30, 2015:

|              | Level 1   | Level 2 | Level 3 | Total     |
|--------------|-----------|---------|---------|-----------|
| Money Market | \$ 29,721 | \$ -    | \$ -    | \$ 29,721 |
| Common Stock | 409,547   | -       | -       | 409,547   |
| Mutual Funds | 319,906   | -       | -       | 319,906   |
| Fixed Income | 74,191    | -       | -       | 74,191    |
| Total        | \$833,365 | \$ -    | \$ -    | \$833,365 |

Asset at Fair Value as of June 30, 2014:

|              | Level 1   | Level 2 | Level 3 | Total     |
|--------------|-----------|---------|---------|-----------|
| Money Market | \$ 26,311 | \$ -    | \$ -    | \$ 26,311 |
| Common Stock | 461,172   | -       | -       | 461,172   |
| Mutual Funds | 376,122   | -       | -       | 376,122   |
| Fixed Income | 44,277    | -       | -       | 44,277    |
| Total        | \$907,882 | \$ -    | \$ -    | \$907,882 |

### 7. Supplemental Cash Flows Information

The Mission, at times, maintains deposits in federally insured financial institutions in excess of federally insured limits. Management monitors the soundness of these financial institutions and feels the Mission's risk is negligible.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements (Continued)

### 8. Contributions Received

During the years ended June 30, 2015 and 2014, contributions were received from the following sources:

|                                    | 2015        | 2014       |
|------------------------------------|-------------|------------|
| Unrestricted                       |             |            |
| Individuals                        | \$1,096,651 | \$ 948,814 |
| Businesses and organizations       | 218,619     | 282,285    |
| Churches and church groups         | 108,752     | 129,406    |
| Memorials, honorariums and bequest | 139,655     | 141,383    |
| Succession                         | -           | 100,000    |
| Total contributions received       | 1,563,677   | 1,601,888  |

### 9. Grants Received

|   | 2015     | 2014     |
|---|----------|----------|
| Community Foundation of North Louisiana | \$12,391 | \$ -     |
| United Way of North Louisiana           | -        | 14,954   |
| Grayson Foundation                      | -        | 7,000    |
| Other                                   | 1,250    | 250      |
| Total                                   | \$13,641 | \$22,204 |

### 10. Assets Held for Resale

Assets held for resale include two residential properties with a cost basis of \$138,142 and a net book value of \$89,245. The properties were sold subsequent to year end for total net proceeds of \$149,899

### 11. Succession Trust Assets

During 2012 the Mission was named one of the principle beneficiaries of a split-interest trust. The assets were held in a trust and were composed of cash, cash equivalents and investments, as well as interest in oil and gas and other miscellaneous properties. The Mission recognized its respective portion of the cash, cash equivalents, investments and other properties valued by an independent third party. The Mission also recognized other assets as they were sold and cash received.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements (Concluded)

### 11. Succession Trust Assets - (continued)

During 2014 the trust was liquidated and the remaining assets were distributed. The Mission recognized revenue of \$100,000 related to the succession in 2014. For 2015 the Mission recognized \$21,201 in investment loss associated with the distribution of remaining succession assets which was netted against other investment income.

### 12. Prior Period Adjustment

The financial statements have been adjusted to present an Accounts Payable balance of \$21,061 not previously reported in the Statement of Financial Position as of December 31, 2014. Additionally, management determined that the amount included in contributions payable was also included in temporarily restricted assets. Accordingly, contributions payable were reduced as of January 1, 2014 by \$50,000. The resulting changes to previously reported net assets are as follows at December 31, 2014:

|  |              |
|--|--------------|
| Liabilities as previously reported             | \$1,477,662  |
| Liabilities as restated                        | \$1,448,723  |
| Decrease in liabilities                        | \$ 28,939    |
| Unrestricted net assets as previously reported | \$3,808,211  |
| Unrestricted net assets as restated            | \$3,837,150  |
| Decrease in net assets as previously reported  | \$ (375,631) |
| Decrease in net assets as restated             | \$ (404,599) |
| Increase in decrease in net assets             | \$ (28,968)  |

# Supplemental Material

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Statements of Revenues and Expenses for Thrift Store and Enterprise Operations

For the Year Ended June 30, 2015

|  | 2015             | 2014      |
|--|------------------|-----------|
| <b>Revenues:</b>   |                  |           |
| Sales  | <b>\$483,070</b> | \$493,284 |
| Total revenues   | <b>483,070</b>   | 493,284   |
| <b>Expenses</b>  |                  |           |
| Payroll  | <b>252,901</b>   | 236,057   |
| Supplies   | <b>35,865</b>    | 3,424     |
| Telephone, television and utilities                      | <b>32,124</b>    | 26,644    |
| Insurance  | <b>27,837</b>    | 31,251    |
| Miscellaneous  | <b>21,799</b>    | 1,700     |
| Vehicle operations                                       | <b>20,238</b>    | 27,162    |
| Building and maintenance                                 | <b>17,310</b>    | 46,707    |
| Interest and service charges                             | <b>3,765</b>     | 4,290     |
| Printing and postage                                     | <b>58</b>        | -         |
| Advertising  | <b>50</b>        | -         |
| Dues and subscriptions                                   | <b>25</b>        | 1,041     |
| Special events   | -                | 382       |
| Total expenses   | <b>411,972</b>   | 378,658   |
| Net increase from Thrift Store and Enterprise Operations | <b>\$ 71,098</b> | \$114,626 |