Financial Statements
June 30, 2016

Phoenix Gospel Mission, Inc. dba Phoenix Rescue Mission

EideBailly®

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Phoenix Gospel Mission, Inc. dba
Phoenix Rescue Mission
Phoenix, Arizona

Report on the Financial Statements
We have audited the accompanying financial statements of Phoenix Gospel Mission, Inc. dba Phoenix Rescue Mission (the Mission), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Mission'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 Mission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mission as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Phoenix, Arizona
October 20, 2016

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Current Assets		
Cash and cash equivalents	$	5,187,751
Estate receivable		85,000
Current portion of promises to give, net		96,425
Inventories		7,695
Prepaid expenses and other current assets		97,711
Total current assets		5,474,582
Promises to Give, net and less current portion		62,508
Investments		585,562
Loan Origination Costs, net		6,702
Property and Equipment, net		14,240,642
Other		77,547
Total assets	$	20,447,543
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$	185,816
Accrued expenses and other liabilities		247,451
Current portion of charitable gift annuity payable		3,166
Current portion of notes payable		121,823
Total current liabilities		558,256
Charitable Gift Annuity Payable, less current portion		34,836
Notes Payable, less current portion		4,094,026
Other		56,360
Total liabilities		4,743,478
Net Assets		
Board designated operating reserves - unrestricted		2,704,419
Board designated endowment fund - unrestricted		585,562
Unrestricted		12,323,016
Total unrestricted net assets		15,612,997
Temporarily restricted		91,068
Total net assets		15,704,065
Total liabilities and net assets	$	20,447,543

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Contributions	$ 8,818,593	$ 51,558	$ 8,870,151
Government grant	175,000	-	175,000
Donated supplies and services	4,123,702	-	4,123,702
Program service fees	391,231	-	391,231
Social enterprise revenue	60,406	-	60,406
Other income	30,280	-	30,280
Total support and revenue before net assets released from restriction	13,599,212	51,558	13,650,770
Net assets released from restrictions	201,047	(201,047)	-
Total support and revenue	13,800,259	(149,489)	13,650,770
Functional Expenses			
Program services	8,930,602	-	8,930,602
Supporting services			
Fundraising	3,015,123	-	3,015,123
Management and general	595,836	-	595,836
Total supporting services	3,610,959	-	3,610,959
Total functional expenses	12,541,561	-	12,541,561
Change in Net Assets	1,258,698	(149,489)	1,109,209
Net Assets, Beginning of Year	14,354,299	240,557	14,594,856
Net Assets, End of Year	$ 15,612,997	$ 91,068	$ 15,704,065

	Program Services	Fundraising	Management and General	Total
Staff Salaries	$ 2,176,051	$ 707,024	$ 389,168	$ 3,272,243
Payroll Taxes and Employee Benefits	452,825	142,372	73,943	669,140
Total payroll costs	2,628,876	849,396	463,111	3,941,383
Professional Fees	9,588	237,470	61,790	308,848
Office Expenses	135,190	125,233	18,751	279,174
IT Expenses	121,895	56,109	12,718	190,722
Occupancy Expenses	600,776	8,732	5,665	615,173
Vehicle and Travel Expenses	89,904	15,293	6,610	111,807
Insurance	78,162	1,153	21,652	100,967
Promotion and Fundraising	-	1,681,822	-	1,681,822
Direct Program Expenses	427,349	793	-	428,142
Interest Expenses	265,942	3,733	1,715	271,390
Miscellaneous Expenses	1,180	6,442	446	8,068
Total expenses before donated supplies and depreciation and amortization	4,358,862	2,986,176	592,458	7,937,496
Donated Food and Supplies	3,924,232	-	-	3,924,232
Depreciation and Amortization	647,508	28,947	3,378	679,833
Total expenses	$ 8,930,602	$ 3,015,123	$ 595,836	$ 12,541,561

Operating Activities	
Change in net assets	$ 1,109,209
Adjustments to reconcile change in net assets to net cash for operating activities	
Loss on disposal of assets	13,261
Depreciation and amortization	679,833
Donated property and equipment, capitalized	(100,302)
Realized and unrealized gain on board-designated endowment investments	(35,206)
Changes in operating assets and liabilities	
Estate receivable	773,321
Promises to give	165,709
Inventory	(1,468)
Prepaid expenses and other current assets	17,412
Other long-term assets	7,564
Accounts payable	18,303
Accrued expenses and other liabilities	(126,848)
Charitable gift annuity payable	(3,051)
Other long-term liabilities	(7,564)
Net Cash from Operating Activities	2,510,173
Investing Activities	
Purchases of property and equipment	(481,298)
Proceeds from sale of property and equipment	590,288
Additions to board-designated endowment fund	(371,432)
Net Cash used for Investing Activities	(262,442)
Financing Activities	
Payments on notes payable	(1,317,382)
Net Cash used for Financing Activities	(1,317,382)
Net Increase in Cash and Cash Equivalents	930,349
Cash and Cash Equivalents, Beginning of Year	4,257,402
Cash and Cash Equivalents, End of Year	$ 5,187,751
Supplemental Disclosure of Cash Flow Information	
Cash paid for interest	$ 247,991
Donated property and equipment	100,302
	$ 348,293

Note 1 - Nature of Operations and Significant Accounting Policies

Organization and Nature of Operations

Phoenix Gospel Mission, Inc. dba Phoenix Rescue Mission (the Mission) is an Arizona non-profit corporation incorporated in May 1954. The Mission's purpose is to provide physical care, mental support, and spiritual guidance to men, women, and children who are destitute, homeless, or at risk of becoming homeless. Services include homeless emergency services, family and community outreach, and an addiction recovery program.

Homeless emergency services consist of on-site, hot meals three times a day, 365 days a year, to men, women, and children. Showers, clean clothing, chapel services, and counseling are available to anyone in need. Emergency shelter beds are accessible for men every night. Caseworkers in the shelter assist men with spiritual needs as well as day and permanent employment.

Family and community outreach helps families and individuals with basic needs. Special yearly events for Easter, back-to-school, Thanksgiving, and Christmas provide working poor families with new clothing and holiday meals. Outreach to the homeless in the local area consists of delivering food, water, Bibles, and encouragement.

The Changing Lives Center for Women and Children provides physical care, counseling, and spiritual guidance to women and their children who are homeless and struggle with physical addiction, abuse, and despair.

The Men's and Women's Addiction Recovery Program is a structured, 12 to 18 month Christ-centered process that helps them change their lives by dealing with their addictions using Christian principles. The program includes counseling, educational evaluation and advancement, Bible studies, as well as job search at the completion of the program. Upon graduation, they have the tools to hold a job in order to re-enter society as a contributing member in the local community and church.

Concentrations of Credit Risk

The Mission maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally-insured limits.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building project, permanent endowment, or other long-term purposes are excluded from this definition.

Inventories

Donated inventories are stated at the estimated value per pound as determined by Feeding America (formerly known as America's Second Harvest) and the Nation's Food Bank Network, a national association of food banks which provides assistance and valuation of food and grocery products. Inventory consists of donated food and goods that have not been distributed to one of the Mission's programs, and are recorded at their estimated fair value at the time of donation. Donated food in 2016 is valued at $1.69 per pound, and donated clothing is valued at $1 per pound.

Loan Origination Costs

Loan origination costs relate to the refinancing of notes payable which was capitalized and is being amortized by the straight-line method over the term of the note. Amortization expense was $6,702 for the year ended June 30, 2016.

Property and Equipment

Property and equipment additions over $5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Mission reviews its property and equipment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. For the year ended June 30, 2016, no impairment loss has occurred.

Promises to Give

We record unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promises are received. An allowance is provided for promises receivable when a pattern of uncollectability has occurred. Management has made the assertion that no allowance is needed as of June 30, 2016. Conditional pledges are not included as support until such time as the conditions are substantially met. Promises to give result from both individuals and corporations. The majority of these pledges are from donors in the Phoenix metropolitan area. As of June 30, 2016, five donors make up 100% of promises to give.

Assets Held and Liabilities under Split-Interest Agreements

Charitable Gift Annuities

Under charitable gift annuity contracts, we receive immediate and unrestricted title to contributed assets and agree to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discounts rate designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as an unrestricted contribution. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. In subsequent years, the liability for future payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve and board-designated endowment.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or our actions and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by our Board of Directors.

The Mission reports contributions as temporarily 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.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by our actions. The restrictions stipulate that resources be maintained permanently but permit us to expend the income generated in accordance with the provisions of the agreements.

The restrictions stipulate that resources be maintained permanently but permit the Mission to expend the income generated in accordance with the provisions of the agreements. The Mission currently has no permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Realized and unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets, i.e., the donor-stipulated purposes have been fulfilled, and/or the stipulated time has elapsed, are reported as reclassifications between the applicable classes of net assets. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted support.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Supplies and Services

The Mission records revenue and a corresponding expense for donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of donated services is determined based on the fair value of the services received or the increase in the fair value of the assets that are attributable to the donated services. The Mission utilizes and depends on the services of volunteers to perform a variety of tasks that assist the Mission with specific programs, campaign solicitations, and various committee assignments. The value of contributed volunteer time is not reflected in the accompanying financial statements as it does not meet the recognition criteria.

Advertising Costs

Advertising costs are expensed as incurred, and approximated $69,400 during the year ended June 30, 2016.

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 may differ from these estimates.

Income Taxes

The Mission is organized as an Arizona non-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), and qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi). The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The entity has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Mission believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The entity would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The Mission’s Forms 990 and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to tax examination for years before 2012.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on change in net assets.

Subsequent Events

The Mission has evaluated subsequent events through October 20, 2016, the date which the financial statements were available to be issued.

Note 2 - Fair Value Measurements and Disclosures

The Mission reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

> Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.
>
> Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
>
> Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

All of the Mission's investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis at June 30, 2016:

		Fair Value Measurements at Report Date Using		
Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Board-designated endowment investments				
Balanced equity mutual funds	$ 585,562	$ 585,562	$ -	$ -
	$ 585,562	$ 585,562	$ -	$ -

Note 3 - Net Investment Return

Net investment return consists of the following for the year ended June 30, 2016:

Board-designated endowment investments	
Interest and dividends	$ 18,107
Net realized and unrealized gain	19,156
Less investment management and custodial fees	(2,057)
	$ 35,206

Note 4 - Promises to Give

Promises to give are estimated to be collected as follows at June 30, 2016:

Within one year	$ 96,425
In one to five years	56,500
Thereafter	15,387
	168,312
Less discount to present value (5.5%)	(9,379)
Less allowance for uncollectible accounts	-
Net promises to give	$ 158,933

Note 5 - Property and Equipment

Property and equipment consisted of the following at June 30, 2016:

Cost and donated value	
Land	$ 1,383,741
Buildings and improvements	15,616,286
Furniture and equipment	940,732
Vehicles	258,782
Construction in process	92,681
Total cost and donated value	18,292,222
Less accumulated depreciation	(4,051,580)
Property and equipment, net	$ 14,240,642

Note 6 - Notes Payable

Notes payable consisted of the following at June 30, 2016:

Mortgage payable, collateralized by real property, payable in monthly installments of $3,731, including interest of 3.94% with a final balloon payment of approximately $529,384 due upon maturity in December 2020. Loan and regulatory agreements restrict the use of the property in a manner consistent with the Mission's current programs.	$ 626,186
Mortgage payable, collateralized by real property, payable in monthly installments of $25,003, including interest of 5.6% with a final balloon payment of approximately $3,491,000 due upon maturity in July 2017. Loan and regulatory agreements restrict the use of the property in a manner consistent with the Mission's current programs.	3,589,663
Total long-term debt	4,215,849
Less current maturities	(121,823)
Noncurrent maturities	$ 4,094,026

The scheduled maturities of notes payable are as follows:

Years ending June 30,	
2017	$ 121,823
2018	3,508,884
2019	21,783
2020	22,669
2021	540,690
Total annual debt maturities	$ 4,215,849

Note 7 - Endowments

The Mission's REACH endowment fund includes certain unrestricted net assets designated for endowment by the Board of Directors. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The purpose of the REACH endowment fund is to provide sustained funding to the Mission's community outreach programs. These programs exist to serve the needs of homeless individuals, at-risk families and at-risk elderly shut-ins through a variety of outreach services and activities. These services include the Hope Coach street outreach program to the homeless, distribution of food boxes and other assistance to at-risk families and elderly shut-ins, and specific outreach activities benefiting pre-school and school-age children and youth who are at-risk.

As of June 30, 2016, the Mission had the following endowment net asset composition by type of fund:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated endowment fund	$ 585,562	$ -	$ -	$ 585,562

Investment and Spending Policy

The Mission has adopted investment and spending policies for the Board-designated endowment that attempts to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the Board-designated endowment assets. Over time, long-term rates of return should provide a relatively predictable and stable payout stream that increases over time at least as much as the general rate of inflation, and to achieve growth of the corpus that increases over time at least as much as the general rate of inflation. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

No more than one distribution per year will be taken from the Board-designated endowment. Distributions will be computed as a percentage of the total value of assets, based upon the aggregate value of all assets of the Board-designated endowment as of the last day of June. Contributions made to the Board-designated endowment during the last six months of the fiscal year, shall be excluded from the aggregate value including appreciation or depreciation of such assets. The Mission uses an endowment spending-rate formula to determine the maximum amount to spend from the Board-designated endowment each year. The rate, determined and adjusted from time to time by the Board of Directors, is applied to the aggregate value of all assets of the endowment as of the last day of June. Contributions made to the endowment during the last six months of the fiscal year, shall be excluded from the aggregate value including appreciation or depreciation of such assets. It is the intent of the Mission that no distributions will be made until the Board-designated endowment reaches total assets of more than $1,000,000. In establishing this policy, the Mission considered the long-term expected return on the Board-designated endowment, and set the rate with the objective of maintaining the purchasing power of the Board-designated endowment over time.

Changes in Board-designated endowment net assets for the year ended June 30, 2016 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 178,924	$ -	$ -	$ 178,924
Investment return				
Investment income, net of fees	16,050	-	-	16,050
Net realized and unrealized gain	19,156	-	-	19,156
	35,206	-	-	35,206
Contributions	371,432	-	-	371,432
Endowment net assets, end of year	$ 585,562	$ -	$ -	$ 585,562

Note 8 - Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2016 consisted of:

Promises to give that are time restricted	$ 91,068

Net assets in the amount of $201,047 were released from time restrictions during the year ended June 30, 2016.

Note 9 - Donated Food, Supplies, and Services

Donated food, supplies, and services are at their estimated fair value if they enhance the Mission's non-financial assets or require specialized skills that the Mission would normally purchase if not provided by donation.

No amounts have been reflected in the accompanying financial statements for certain donated volunteer services because they did not qualify under GAAP; however over 2,000 volunteers have donated over 14,000 hours in 2016, in processing donated food as well in the Mission's other program services and administrative support.

The Mission capitalized $100,302 of donated construction services, all other donated food, supplies, and services were recognized as program expenses and comprised of the following at June 30, 2016:

	Program Services	Management and General	Fundraising	Total
Food	$ 3,441,108	$ -	$ -	$ 3,441,108
Water	208,959	-	-	208,959
Clothing	83,492	-	-	83,492
Household goods	128,063	-	-	128,063
Other	262,080	-	-	262,080
Total	$ 4,123,702	$ -	$ -	$ 4,123,702

Note 10 - Employee Benefit Plans

The Mission has a 401(k) plan that covers all employees who meet specified age and years of service requirements. The Mission matches 100% of the employee's contribution limited to 4% of their total compensation. Employer contributions to the 401(k) plan charged to operations were $57,459 for the year ended June 30, 2016.

Note 11 - Deferred Compensation Plans

The Mission offers an unqualified deferred compensation plan (the Plan) for certain management under Section 457(b), eligible deferred compensation. Under this arrangement, participants are able to defer the payment of federal and state income taxes on their contributions to the Plan. In accordance with the Plan, eligible participants' deferrals are matched by the Mission at 100% of the deferral up to 6% of the participant's W-2 compensation. As of June 30, 2016, the Mission's liability for this deferred compensation plan was $56,360 which is included in other liabilities. Contributions by employer for the year ended June 30, 2016 totaled $8,137.

Note 12 - Contingencies

The Mission is also subject to certain claims that arise in the ordinary course of business. In the opinion of management, no pending or threatened claims, actions or proceedings against the Mission are expected to have a material adverse effect on the Mission's operations or financial condition.

Note 13 - Related Party Transactions

During the year ended June 30, 2016, the Mission purchased contracted security services totaling $160,299 and construction costs and services totaling $100,302 from companies in which two members of the Mission's Board of Directors are key employees.