

Union Gospel Mission
Financial Statements
for the years ended June 30, 2015 and 2014

**Union Gospel Mission
Financial Statements
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Independent Auditor's Report

To the Board of Directors
Union Gospel Mission
Sacramento, California

We have audited the accompanying financial statements of Union Gospel Mission (a California non-profit corporation), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and net assets, 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
Union Gospel Mission
Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Gospel Mission as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gallina LLP

Roseville, California
January 5, 2016

Union Gospel Mission
Statements of Financial Position
June 30, 2015 and 2014

Assets

	2015	2014
<u>Current assets:</u>		
Cash and cash equivalents	\$ 283,866	\$ 232,171
Investments	586,832	653,128
Receivables	2,926	2,590
Prepaid expenses	23,216	32,754
Inventory	12,495	27,470
	909,335	948,113
<u>Property and equipment, net</u>	2,755,367	2,811,626
	\$ 3,664,702	\$ 3,759,739

Liabilities and Net Assets

<u>Current liabilities:</u>		
Accounts payable	\$ 5,161	\$ 15,637
Accrued wages	19,427	27,674
Accrued vacation	24,324	24,324
Current maturities of long-term debt	66,880	63,151
	115,792	130,786
<u>Long-term debt, net of current maturities</u>	95,127	195,816
	210,919	326,602
<u>Net assets:</u>		
Unrestricted	3,448,566	3,416,108
Temporarily restricted	5,217	17,029
	3,453,783	3,433,137
	\$ 3,664,702	\$ 3,759,739

See accompanying notes.

Union Gospel Mission
Statements of Activities and Net Assets
for the years ended June 30, 2015 and 2014

	2015	2014
<u>Changes in unrestricted net assets:</u>		
<u>Revenue:</u>		
Individuals	\$ 2,737,090	\$ 2,545,130
Donations - goods	802,502	810,009
Donations - labor	948	1,872
Other income	7,682	15,886
Net assets released from restriction	15,565	27,095
Total revenue	3,563,787	3,399,992
<u>Expenses:</u>		
Program services:		
Rehabilitation	340,365	299,352
Eagles Nest	132,912	150,117
Food and Care	1,616,478	1,466,784
Outreach	62,760	67,552
Grace Haven	9,502	8,701
Women's Center	32,285	20,545
Supporting services:		
Management and general	470,497	466,747
Golf tournament	45,983	24,186
Fundraising	841,450	937,798
Total expenses	3,552,232	3,441,782
<u>Other income (expense):</u>		
Interest, dividend and investment net gain	34,429	106,037
Interest expense	(12,635)	(18,308)
Investment expenses	(211)	(17,748)
Loss on disposal of fixed assets	(680)	(2,578)
Total other income, net	20,903	67,403

See accompanying notes.

Union Gospel Mission
Statements of Activities and Net Assets, continued
for the years ended June 30, 2015 and 2014

	2015	2014
Increase in unrestricted net assets	\$ 32,458	\$ 25,613
<u>Unrestricted net assets</u> , beginning of year	3,416,108	3,390,495
<u>Unrestricted net assets</u> , end of year	3,448,566	3,416,108
<u>Changes in temporarily restricted net assets:</u>		
<u>Revenue:</u>		
Donations	3,753	18,282
Net assets released from restriction	(15,565)	(27,095)
Decrease in temporarily restricted net assets	(11,812)	(8,813)
<u>Temporarily restricted net assets</u> , beginning of year	17,029	25,842
<u>Temporarily restricted net assets</u> , end of year	5,217	17,029
Total net assets	\$ 3,453,783	\$ 3,433,137

See accompanying notes.

Union Gospel Mission
Statement of Functional Expenses
for the year ended June 30, 2015

	Program Services							Supporting Services				Total
	Rehabilitation	Eagles Nest	Food and Care	Outreach	Grace Haven	Women's Center	Total Program Services	Management and General	Golf Tournament	Fund-raising	Total Supporting Services	
Compensation and related expenses:												
Compensation	\$ 181,120	\$ 35,097	\$ 159,518	\$ 32,902	\$ -	\$ 14,349	\$ 422,986	\$ 243,723	\$ -	\$ 107,255	\$ 350,978	\$ 773,964
Employee benefits	62,776	13,430	56,479	9,091	-	6,075	147,851	68,670	-	28,348	97,018	244,869
Payroll taxes	5,011	2,515	9,925	1,052	-	310	18,813	12,391	-	11,913	24,304	43,117
Total compensation and related expenses	248,907	51,042	225,922	43,045	-	20,734	589,650	324,784	-	147,516	472,300	1,061,950
Automotive	995	7,413	15,171	2,333	-	230	26,142	3,613	-	222	3,835	29,977
Benevolence fund	2,089	357	537	5,288	-	-	8,271	-	-	200	200	8,471
Depreciation	9,788	9,043	24,699	-	274	-	43,804	52,833	-	39,089	91,922	135,726
Donated goods and services	-	-	384,702	-	-	-	384,702	-	-	-	-	384,702
Education and training	5,084	-	15	-	-	-	5,099	-	-	-	-	5,099
Food expenses	-	3,306	829,066	36	-	-	832,408	422	130	423	975	833,383
Insurance	24,669	17,027	33,948	1,523	2,664	3,920	83,751	8,982	-	5,552	14,534	98,285
Miscellaneous	3,353	653	14,819	783	-	-	19,608	4,955	-	9,232	14,187	33,795
Professional fees	-	-	278	-	-	-	278	42,122	-	-	42,122	42,400
Promotion and fundraising	89	-	2,505	9,398	-	2,205	14,197	-	44,479	571,352	615,831	630,028
Postage	-	-	-	-	-	-	-	11	1,374	27,529	28,914	28,914
Repairs and maintenance	4,504	11,272	13,167	-	662	1,374	30,979	11,809	-	20,714	32,523	63,502
Subsistence allowance	12,192	650	128	-	-	-	12,970	-	-	-	-	12,970
Supplies:												
Cleaning	-	243	16,068	-	-	-	16,311	-	-	-	-	16,311
In-house	4,381	10,720	14,896	13	97	1,001	31,108	3,213	-	8,358	11,571	42,679
Office	80	17	234	19	-	594	944	1,498	-	2,323	3,821	4,765
Taxes and licenses	477	3,268	3,346	49	265	435	7,840	71	-	42	113	7,953
Telephone	5,288	1,834	2,995	22	600	98	10,837	6,608	-	3,644	10,252	21,089
Utilities	18,469	16,067	33,982	251	4,940	1,694	75,403	9,576	-	5,254	14,830	90,233
Total expenses	\$ 340,365	\$ 132,912	\$ 1,616,478	\$ 62,760	\$ 9,502	\$ 32,285	\$ 2,194,302	\$ 470,497	\$ 45,983	\$ 841,450	\$ 1,357,930	\$ 3,552,232

See accompanying notes.

Union Gospel Mission
Statement of Functional Expenses
for the year ended June 30, 2014

	Program Services							Supporting Services				Total
	Rehabilitation	Eagles Nest	Food and Care	Outreach	Grace Haven	Women's Center	Total Program Services	Management and General	Golf Tournament	Fund-raising	Total Supporting Services	
Compensation and related expenses:												
Compensation	\$ 152,186	\$ 40,885	\$ 182,787	\$ 30,528	\$ (153)	\$ 9,544	\$ 415,777	\$ 221,336	\$ -	\$ 166,653	\$ 387,989	\$ 803,766
Employee benefits	49,800	12,528	59,860	12,102	-	3,478	137,768	73,593	-	48,452	122,045	259,813
Payroll taxes	5,756	2,931	11,555	901	(12)	339	21,470	12,672	-	11,684	24,356	45,826
Total compensation and related expenses	207,742	56,344	254,202	43,531	(165)	13,361	575,015	307,601	-	226,789	534,390	1,109,405
Automotive	6,340	6,808	7,872	2,351	-	21	23,392	4,017	-	424	4,441	27,833
Benevolence fund	1,300	-	463	4,888	-	101	6,752	1,712	-	429	2,141	8,893
Depreciation	6,719	7,294	25,982	56	26	105	40,182	47,321	-	45,405	92,726	132,908
Donated goods	-	-	289,927	-	-	-	289,927	-	-	-	-	289,927
Donated services	-	-	1,872	-	-	-	1,872	-	-	-	-	1,872
Education and training	3,557	29	-	-	-	-	3,586	308	-	206	514	4,100
Food expenses	-	7,352	780,803	-	-	10	788,165	448	48	637	1,133	789,298
Insurance	11,318	14,017	23,122	1,299	1,982	1,347	53,085	11,617	-	7,098	18,715	71,800
Miscellaneous	3,577	1,519	5,368	425	-	45	10,934	4,832	-	6,965	11,797	22,731
Professional fees	79	58	278	46	-	12	473	50,185	-	349	50,534	51,007
Promotion and fundraising	4,688	-	57	14,291	-	-	19,036	392	23,229	582,449	606,070	625,106
Postage	61	46	-	-	-	-	107	-	552	29,741	30,293	30,400
Repairs and maintenance	3,453	14,592	11,824	-	498	1,129	31,496	5,021	-	10,372	15,393	46,889
Subsistence allowance	15,028	-	128	-	-	-	15,156	-	-	-	-	15,156
Supplies:												
Cleaning	-	355	16,682	-	-	-	17,037	-	-	-	-	17,037
In-house	4,988	14,588	11,960	125	52	1,184	32,897	3,433	124	5,941	9,498	42,395
Office	2,974	1,371	2,601	-	-	721	7,667	10,901	233	11,472	22,606	30,273
Taxes and licenses	329	2,897	2,751	53	258	1,061	7,349	364	-	202	566	7,915
Telephone	8,339	2,318	2,914	-	474	109	14,154	8,303	-	4,826	13,129	27,283
Utilities	18,860	20,529	27,978	487	5,576	1,339	74,769	10,292	-	4,493	14,785	89,554
Total expenses	\$ 299,352	\$ 150,117	\$ 1,466,784	\$ 67,552	\$ 8,701	\$ 20,545	\$ 2,013,051	\$ 466,747	\$ 24,186	\$ 937,798	\$ 1,428,731	\$ 3,441,782

See accompanying notes.

Union Gospel Mission
Statements of Cash Flows
for the years ended June 30, 2015 and 2014

	2015	2014
<u>Cash flows from operating activities:</u>		
Increase in net assets	\$ 20,646	\$ 16,800
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	135,726	132,908
Loss on disposal of fixed assets	680	2,578
Donated property and equipment	(1,280)	(38,696)
Realized and unrealized net gain on investments	(33,704)	(132,634)
Changes in operating assets and liabilities:		
Receivables	(336)	1,110
Prepaid expenses	9,538	(2,220)
Inventory	14,975	(6,866)
Accounts payable	(10,476)	(23,228)
Accrued wages	(8,247)	3,406
	127,522	(46,842)
<u>Cash flows from investing activities:</u>		
Cash paid for property and equipment	(78,867)	(81,349)
Cash paid for investments	(42,606)	(626,258)
Cash withdrawals from investments	142,606	691,258
	21,133	(16,349)
<u>Cash flows from financing activities:</u>		
Principal payments on long-term debt	(96,960)	(94,756)
	51,695	(157,947)
<u>Cash and cash equivalents, beginning of year</u>	232,171	390,118
<u>Cash and cash equivalents, end of year</u>	\$ 283,866	\$ 232,171

See accompanying notes.

Union Gospel Mission
Statements of Cash Flows, continued
for the years ended June 30, 2015 and 2014

Supplemental Disclosure of Cash Flow Information

	2015	2014
Cash paid for interest	\$ 12,635	\$ 18,308

Schedule of Noncash Investing and Financing Activities

Acquisition of property and equipment	\$ 80,147	\$ 120,045
Less amount donated	1,280	38,696
Cash paid for property and equipment	\$ 78,867	\$ 81,349

See accompanying notes.

Union Gospel Mission
Notes to the Financial Statements
June 30, 2015 and 2014

Note 1: Summary of Significant Accounting Policies:

The following items comprise the significant accounting policies of Union Gospel Mission (the Mission). These policies reflect industry practices and conform to accounting principles generally accepted in the United States of America.

Mission's Activities:

The Mission is a voluntary Christian organization that provides religious and social services to the needy residents of Sacramento, California and surrounding communities. The Mission is supported primarily through donor contributions. The Mission provides food, clothing, shelter and counseling services.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents:

The Mission considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Investments:

The Mission records all investments as available-for-sale and carries them at market value. Realized and unrealized gains and losses are recognized as increases or decreases of unrestricted net assets.

Inventory:

Inventory consists of food products, paper goods and cleaning supplies. Purchased products have been valued at cost and donated products have been valued at their wholesale value.

Union Gospel Mission
Notes to the Financial Statements, continued
June 30, 2015 and 2014

Note 1: Summary of Significant Accounting Policies, continued:

Property and Equipment:

Property and equipment, carried at cost and estimated fair market value at time of donation if donated, is depreciated over the estimated useful life of the related asset. Costs of repairs and maintenance are charged to expense. Upon retirement or disposal of property and equipment, the costs and related depreciation are removed from the accounts, and gains or losses, if any, are reflected in the earnings for financial and income tax reporting purposes. Depreciation is computed substantially using the straight-line method for financial statement and income tax reporting purposes. The estimated useful lives used for calculating depreciation for property and equipment are as follows:

	<u>Life</u>
Buildings and improvements	10 to 39 years
Furniture and fixtures	7 years
Vehicles	5 years
Equipment	5 to 7 years

Impairment of Long-Lived Assets:

The Mission reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then assets are written down first, followed by other long-lived assets of the operation to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. There were no impairment losses recognized for long-lived assets as of June 30, 2015 and 2014.

Revenue:

The Mission solicits pledges and promises to give. Contributions are recognized when received or unconditionally promised by donors. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporary or permanently restricted net assets depending on the nature of the restriction. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets.

Union Gospel Mission
Notes to the Financial Statements, continued
June 30, 2015 and 2014

Note 1: Summary of Significant Accounting Policies, continued:

Contributed Services and Materials:

Volunteers, businesses and others contribute substantial amounts of materials and services toward the fulfillment of projects initiated by the Mission. Services donated by individuals possessing specialized skills where those services would typically be purchased are recorded at the rate at which those services would be purchased. Contributed materials consist mainly of food and clothing used in the Mission's Food and Care program. These items are valued at their estimated fair value.

Many volunteers also provide services throughout the year that are not recognized as contributions in the financial statements because the recognition criteria have not been met. It is impracticable to determine the fair market value of all donated services by the volunteers of the Mission beyond those required to be recognized as income.

Functional Expense Reporting:

The cost of providing program and supporting services has been summarized by function, based on estimates developed by management.

Income Taxes:

The Internal Revenue Service has determined that Union Gospel Mission is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. The Mission qualifies for the charitable contribution deduction and has been classified as an organization other than a private foundation under the Internal Revenue Code. The Mission is also exempt from state franchise and income taxes under the California Revenue and Taxation Code.

Accounting guidance issued by the Financial Accounting Standards Board (FASB) prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Mission did not have unrecognized tax benefits as of June 30, 2015 and 2014 and does not expect this to change significantly over the next twelve months. The Mission will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of June 30, 2015 and 2014, the Company has not accrued interest or penalties related to uncertain tax positions.

Union Gospel Mission
Notes to the Financial Statements, continued
June 30, 2015 and 2014

Note 1: Summary of Significant Accounting Policies, continued:

Concentrations:

Credit Risk:

The Mission maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Mission has not experienced any losses in such accounts. Management believes the Mission is not exposed to any significant credit risk on cash and cash equivalents.

Allocation of Functional Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and support services based on management's analyses of program revenue and/or personnel time.

Subsequent Events:

The Mission has evaluated subsequent events through January 5, 2016, the date on which the financial statements were available to be issued.

Union Gospel Mission
Notes to the Financial Statements, continued
June 30, 2015 and 2014

Note 2: Investments:

The Mission has investment accounts with a national brokerage firm. The accounts consist of money market and mutual funds. The balances in these accounts are as follows as of June 30:

	2015	2014
Stocks	\$ 25,718	\$ 577,624
Mutual funds	556,307	35,797
Other	4,807	39,707
	\$ 586,832	\$ 653,128

Investment income (expense) are as follows for the years ended June 30:

	2015	2014
Interest and dividends, from investments	\$ 14,307	\$ 14,447
Investment expense	(211)	(17,748)
Realized/unrealized gains, net	20,122	91,590
	\$ 34,218	\$ 88,289

Note 3: Fair Value Measurement of Investments:

The Fair Value Measurements Topic of the Financial Accounting Standards Board Codification establishes a framework for measuring fair value under generally accepted accounting principles. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurements Topic are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Mission has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Union Gospel Mission
Notes to the Financial Statements, continued
June 30, 2015 and 2014

Note 3: Fair Value Measurement of Investments, continued:

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

Other funds: Valued at cost, which approximates fair value.

Mutual funds and stocks: Valued at the net asset value of shares held by the Mission at year end.

All investment assets are measured at fair value on a recurring basis at June 30, 2015 and 2014, and are level 1 assets.

Note 4: Property and Equipment:

Property and equipment consist of the following as of June 30, 2015:

	Purchased	Donated	Total
Land	\$ 317,345	\$ -	\$ 317,345
Buildings and improvements	3,301,382	-	3,301,382
Furniture and fixtures	67,517	4,423	71,940
Vehicles	43,319	23,751	67,070
Equipment	294,004	9,023	303,027
Construction in progress	35,650	22,000	57,650
	4,059,217	59,197	4,118,414
Less accumulated depreciation	1,342,481	20,566	1,363,047
	<u>\$ 2,716,736</u>	<u>\$ 38,631</u>	<u>\$ 2,755,367</u>

Depreciation expense for the year ended June 30, 2015 was \$135,726 and is included in the statement of functional expenses.

Union Gospel Mission
Notes to the Financial Statements, continued
June 30, 2015 and 2014

Note 4: Property and Equipment, continued:

Property and equipment consist of the following as of June 30, 2014:

	Purchased	Donated	Total
Land	\$ 317,345	\$ -	\$ 317,345
Buildings and improvements	3,242,540	-	3,242,540
Furniture and fixtures	67,517	4,423	71,940
Vehicles	48,319	25,371	73,690
Equipment	292,594	9,023	301,617
Construction in progress	24,843	22,000	46,843
	<u>3,993,158</u>	<u>60,817</u>	<u>4,053,975</u>
Less accumulated depreciation	<u>1,224,861</u>	<u>17,488</u>	<u>1,242,349</u>
	<u>\$ 2,768,297</u>	<u>\$ 43,329</u>	<u>\$ 2,811,626</u>

Depreciation expense for the year ended June 30, 2014 was \$132,908 and is included in the statement of functional expenses.

Note 5: In-kind Contributions:

In-kind contributions consisted of the following at June 30:

	2015	2014
Materials (goods)	\$ 802,502	\$ 810,009
Services	948	1,872
	<u>\$ 803,450</u>	<u>\$ 811,881</u>

Union Gospel Mission
Notes to the Financial Statements, continued
June 30, 2015 and 2014

Note 6: Long-Term Debt:

Long-term debt consists of the following as of June 30:

	Interest Rate	Payable	
		2015	2014
Note payable, secured by property, monthly principal and interest payments of \$6,532 due September 2018.	5.75%	\$ 162,007	\$ 258,967
Less current maturities		66,880	63,151
		\$ 95,127	\$ 195,816

Aggregate maturities on long-term debt are as follows:

Year Ending June 30:

2016	\$ 66,880
2017	70,828
2018	24,299
	\$ 162,007

Note 7: Retirement Plan:

The Mission maintains a 403(b) plan for all eligible employees. The Mission makes a discretionary matching contribution on behalf of the participating employees for up to \$5,000 per year per employee for the years ended June 30, 2015 and 2014. The Mission's matching contributions under the Plan amounted to \$55,172 and \$50,503 for the years ended June 30, 2015 and 2014, respectively, and are included in employee benefits on the statement of functional expenses.

Union Gospel Mission
Notes to the Financial Statements, continued
June 30, 2015 and 2014

Note 8: Operating Leases:

The Mission leases equipment under long-term operating lease agreements. Lease expense relating to these operating leases amounted to \$660 for the years ended June 30, 2015 and 2014, respectively. The minimum lease payments are as follows:

Year Ending June 30:

2016	\$	660
2017		495

Note 9: Risks and Uncertainties:

The Mission invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the statement of financial position.