

VINE FAITH IN ACTION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015

**VINE FAITH IN ACTION
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YEARS ENDED JUNE 30, 2016 AND 2015**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
VINE Faith In Action
Mankato, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of VINE Faith In Action (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows and functional expenses 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.

Auditors' 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 auditors' 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 Organization'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 Organization'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

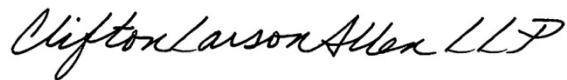
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VINE Faith In Action as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted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

Other Matter

The 2015 financial statements of VINE Faith In Action were audited by other auditors whose report dated October 28, 2016, expressed an unmodified opinion on those statements.

Other Matter

As discussed in Note 1 to the financial statements, the Organization adopted a recently issued accounting standard related to accounting for debt issuance costs. The new standard requires entities to present debt issuance costs as a direct deduction from the face amount of the related borrowings, amortize debt issuance costs using the effective interest method over the life of the debt, and record the amortization as a component of interest expense. Our opinion is not modified with respect to this matter.



CliftonLarsonAllen LLP

Austin, Minnesota
November 9, 2016

**VINE FAITH IN ACTION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

ASSETS	2016	2015
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 663,617	\$ 452,217
Receivables, Net:		
Pledges Receivable (Net of Unamortized Discount)	4,875	22,594
Grants Receivable	91,009	102,514
Accounts Receivable	30,072	30,446
Note Receivable, Current Portion	216,325	11,763
Inventory	30,000	30,000
Prepaid Expenses	16,244	16,129
Total Current Assets	1,052,142	665,663
PROPERTY AND EQUIPMENT, NET	7,881,713	8,044,152
OTHER ASSETS		
Pledges Receivable, Net of Unamortized Discount	7,774	14,844
Note Receivable, Less Current Portion	-	212,478
Total Other Assets	7,774	227,322
Total Assets	\$ 8,941,629	\$ 8,937,137
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 25,425	\$ 67,863
Accrued Liabilities	47,813	72,472
Deferred Revenue	148,448	85,088
Current Portion of Special Assessment Payable	454	436
Current Portion of Long-Term Debt	147,986	134,596
Total Current Liabilities	370,126	360,455
LONG-TERM LIABILITIES		
Special Assessment Payable, Net of Current Portion	2,279	2,736
Tenant Deposits	13,000	14,500
Long-Term Debt, Net of Current Portion	4,298,483	4,459,778
Total Long-Term Liabilities	4,313,762	4,477,014
Total Liabilities	4,683,888	4,837,469
NET ASSETS		
Unrestricted	3,882,031	3,918,258
Temporarily Restricted	375,710	181,410
Total Net Assets	4,257,741	4,099,668
Total Liabilities and Net Assets	\$ 8,941,629	\$ 8,937,137

See accompanying Notes to Financial Statements.

**VINE FAITH IN ACTION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 198,992	\$ 211,746	\$ 410,738
Grants	762,770	-	762,770
Service Fees	475,083	-	475,083
Thrift Store Sales	362,946	-	362,946
Other Program Revenues	167,774	-	167,774
Special Events	9,570	-	9,570
Gain on Disposal of Assets	304	-	304
Net Assets Released from Restrictions	17,446	(17,446)	-
Total Revenues, Gains, and Other Support	1,994,885	194,300	2,189,185
EXPENSES			
Programs	1,484,693	-	1,484,693
Management and General	510,693	-	510,693
Fundraising and Development	35,726	-	35,726
Total Expenses	2,031,112	-	2,031,112
CHANGES IN NET ASSETS	(36,227)	194,300	158,073
Net Assets - Beginning of Year	3,918,258	181,410	4,099,668
NET ASSETS - END OF YEAR	\$ 3,882,031	\$ 375,710	\$ 4,257,741

See accompanying Notes to Financial Statements.

**VINE FAITH IN ACTION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 121,353	\$ 192,388	\$ 313,741
Grants	882,647	-	882,647
Service Fees	362,927	-	362,927
Thrift Store Sales	333,361	-	333,361
Other Program Revenues	163,657	-	163,657
Special Events	5,581	32,395	37,976
Gain on Disposal of Assets	178,932	-	178,932
Net Assets Released from Restrictions	119,024	(119,024)	-
Total Revenues, Gains, and Other Support	<u>2,167,482</u>	<u>105,759</u>	<u>2,273,241</u>
EXPENSES			
Programs	1,316,049	-	1,316,049
Management and General	527,032	-	527,032
Fundraising and Development	45,669	-	45,669
Total Expenses	<u>1,888,750</u>	<u>-</u>	<u>1,888,750</u>
CHANGES IN NET ASSETS	278,732	105,759	384,491
Net Assets - Beginning of Year	<u>3,639,526</u>	<u>75,651</u>	<u>3,715,177</u>
NET ASSETS - END OF YEAR	<u>\$ 3,918,258</u>	<u>\$ 181,410</u>	<u>\$ 4,099,668</u>

See accompanying Notes to Financial Statements.

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**VINE FAITH IN ACTION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 158,073	\$ 384,491
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	292,338	280,323
Amortization of Debt Issuance Costs	912	912
Gain on Disposal of Assets	(304)	(178,932)
(Increase) Decrease in:		
Pledges Receivable	24,789	116,066
Grants Receivable	11,505	(38,222)
Accounts Receivable	374	21,351
Prepaid Expenses and Other Assets	(115)	(1,060)
Increase (Decrease) in:		
Accounts Payable	(42,438)	(43,539)
Accrued Liabilities	(24,659)	12,748
Deferred Revenue	63,360	84,496
Special Assessment Payable	(439)	(417)
Tenant Deposits	(1,500)	713
Net Cash Provided by Operating Activities	481,896	638,930
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(129,899)	(1,038,791)
Proceeds from sale of property and equipment	304	68,116
Payments from Note Receivable	7,916	5,759
Net Cash Used by Investing Activities	(121,679)	(964,916)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	-	283,860
Payments on Long-Term Debt	(135,836)	(102,650)
Debt Issuance Costs	(12,981)	-
Net Cash Provided (Used) by Financing Activities	(148,817)	181,210
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	211,400	(144,776)
Cash and Cash Equivalents - Beginning of Year	452,217	596,993
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 663,617	\$ 452,217
SUPPLEMENTAL DATA		
Cash Paid for Interest	\$ 197,077	\$ 199,214

See accompanying Notes to Financial Statements.

VINE FAITH IN ACTION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	Program Services							Management and General	Fund- Raising	Total
	Volunteer Caregiving	Chore Assistance	Transportation	Family Caregivers	Adult Community Center	Home Thrift Store	Total Program Services			
EXPENSES										
Salaries and Wages	\$ 233,230	\$ 39,781	\$ 170,621	\$ 77,154	\$ 139,932	\$ 137,172	\$ 797,890	\$ 134,231	\$ 25,709	\$ 957,830
Payroll Taxes	16,530	3,306	12,747	6,014	10,311	10,441	59,349	8,898	1,714	69,961
Employee Benefits	17,099	1,026	11,880	994	9,544	13,037	53,580	7,284	2,807	63,671
Program Expenses	56,705	9,677	54,541	10,639	31,148	9,817	172,527	842	24	173,393
Office Expenses	11,124	1,164	3,059	1,195	35,716	3,239	55,497	17,213	2,258	74,968
Occupancy	2,940	1,721	9,010	4,080	15,642	17,687	51,080	41,074	-	92,154
Travel	2,219	4	978	-	1,709	-	4,910	273	-	5,183
Insurance	1,120	1,467	8,987	3,809	4,732	4,407	24,522	18,813	-	43,335
Telephone	3,007	816	2,599	797	2,397	4,340	13,956	2,121	361	16,438
Bad Debts	117	1,088	-	-	27	-	1,232	48	-	1,280
Licenses and Fees	1,800	-	759	700	248	115	3,622	140	-	3,762
Advertising and Promotion	633	10	65	134	3,488	3,541	7,871	2,081	-	9,952
Professional Fees	-	-	-	-	-	-	-	12,637	-	12,637
Fundraising Expenses	-	-	-	-	-	-	-	-	2,760	2,760
Dues and Subscriptions	175	-	-	245	1,421	-	1,841	3,539	-	5,380
Depreciation	1,440	9,684	19,375	17,937	79,292	16,236	143,964	148,374	-	292,338
Interest and Amortization	1,100	2,410	2,700	12,810	46,460	25,998	91,478	106,165	-	197,643
Continuing Education	165	-	920	60	229	-	1,374	1,434	-	2,808
Miscellaneous	-	-	-	-	-	-	-	5,526	93	5,619
Total Expenses	\$ 349,404	\$ 72,154	\$ 298,241	\$ 136,568	\$ 382,296	\$ 246,030	\$ 1,484,693	\$ 510,693	\$ 35,726	\$ 2,031,112

See accompanying Notes to Financial Statements.

VINE FAITH IN ACTION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	Program Services							Management and General	Fund- Raising	Total
	Volunteer Caregiving	Chore Assistance	Transportation	Family Caregivers	Adult Community Center	Home Thrift Store	Total Program Services			
EXPENSES										
Salaries and Wages	\$ 122,063	\$ 41,614	\$ 174,491	\$ 59,968	\$ 134,360	\$ 124,839	\$ 657,335	\$ 127,677	\$ 33,413	\$ 818,425
Payroll Taxes	9,150	2,799	12,637	3,940	9,598	13,811	51,935	12,220	2,670	66,825
Employee Benefits	5,833	2,276	15,640	1,551	9,119	13,989	48,408	6,745	2,343	57,496
Program Expenses	62,524	835	63,407	5,509	24,840	9,958	167,073	699	201	167,973
Office Expenses	4,225	99	3,378	1,372	11,609	1,855	22,538	37,215	4,117	63,870
Occupancy	836	844	8,822	4,268	18,934	19,024	52,728	49,471	-	102,199
Travel	-	-	618	-	3,309	-	3,927	1,032	-	4,959
Insurance	3,782	216	13,197	1,395	3,810	5,859	28,259	17,848	-	46,107
Telephone	2,981	305	2,546	-	3,599	2,610	12,041	2,805	317	15,163
Bad Debts	714	231	293	-	-	-	1,238	-	900	2,138
Licenses and Fees	7,687	-	1,466	1,366	(289)	245	10,475	560	-	11,035
Advertising and Promotion	15,295	-	499	979	7,076	3,358	27,207	1,082	270	28,559
Professional Fees	-	-	-	-	-	-	-	12,705	-	12,705
Fundraising Expenses	-	-	-	-	-	-	-	-	1,200	1,200
Dues and Subscriptions	-	-	-	-	2,107	-	2,107	1,745	-	3,852
Depreciation	1,461	11,017	14,734	17,516	75,352	16,236	136,316	144,007	-	280,323
Interest and Amortization	1,118	2,426	2,699	12,894	46,740	26,622	92,499	108,015	-	200,514
Continuing Education	170	-	-	175	1,553	-	1,898	1,937	-	3,835
Miscellaneous	-	-	4	-	1	60	65	1,269	238	1,572
Total Expenses	\$ 237,839	\$ 62,662	\$ 314,431	\$ 110,933	\$ 351,718	\$ 238,466	\$ 1,316,049	\$ 527,032	\$ 45,669	\$ 1,888,750

See accompanying Notes to Financial Statements.

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**VINE FAITH IN ACTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Entity

VINE Faith In Action (the Organization) is a nonprofit corporation established in 1995. The Organization “*promotes quality of life and a culture of caring, sustained by volunteerism, community engagement and support for neighbors in need*”. The Organization provides the following major programs:

Volunteer Caregiving (VINE’s umbrella program) – Trained, insured volunteers share the gift of relationship, and provide light housekeeping, errands, meal preparation, mail management, and a host of other good deeds.

Chore Assistance – Supervised by staff with home repair skills, volunteers help with seasonal and other chores, shoveling snow, washing windows, building wheelchair ramps, installing grab bars, and other miscellaneous chores.

Transportation – Medical, social and employment transportation is provided to anyone enrolled in publicly funded health plan and aging adults.

Family Caregivers – In-home (respite volunteers) and an on-site licensed Adult Day Service, caregiver support groups, education and coaching, trained peer mentors, care center/hospital transition-home support, and a large loan closet of durable medical equipment.

Adult Community Center (Senior Center) – Members can participate in an array of classes, social activities, and fitness related programming. In addition, the community center welcomes adult community members for support groups and educational and recreational activities.

Home Thrift Store – Donated home furnishings and accessories are cleaned and sold to benefit programs and services. Low-income community members receive needed household items under established guidelines. In partnership with local non-profit organizations, the thrift store provides job training opportunities for new Americans and people with disabilities.

Financial Statement Presentation

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

Unrestricted Net Assets – Resources over which the board of directors has discretionary control. These net assets include both board designated and undesignated amounts.

Temporarily Restricted Net Assets – Those resources subject to donor imposed restrictions which will be satisfied by action of the Organization or passage of time.

Permanently Restricted Net Assets – Those resources subject to a donor imposed restriction that they be maintained permanently by the Organization. There were no such permanent restrictions as of June 30, 2016 and 2015.

**VINE FAITH IN ACTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

The Organization has elected to present temporarily restricted contributions, which are fulfilled in the same time period, within the unrestricted net asset class. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Revenue

Revenue from services provided is unrestricted and provides general operating support.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers demand deposits, savings, and money market accounts with original maturities of three months or less to be cash equivalents.

Pledges Receivable

Pledges to be received in one year or less are reported at net realizable value. Contributions to be received after one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them to their present value at a risk-adjusted rate of 6%. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors. The Organization has determined that an allowance is not necessary at June 30, 2016 and 2015. Pledges receivable, net of unamortized discounts are summarized as follows at June 30:

	<u>2016</u>	<u>2015</u>
Pledges Receivable Expected to be Collected Within:		
One Year	\$ 4,875	\$ 22,594
One to Five Years	7,938	16,188
	<u>12,813</u>	<u>38,782</u>
Less: Unamortized Discount on Pledges Receivable	(164)	(1,344)
Total	<u><u>\$ 12,649</u></u>	<u><u>\$ 37,438</u></u>

**VINE FAITH IN ACTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Receivable

Grants receivable represents grant amounts earned each respective contract year which are collected after filing appropriate reports.

Accounts Receivable

Accounts receivable consists of billings for various program services and are stated at the amount the Organization expects to collect from outstanding balances. Accordingly, no allowance for doubtful accounts is considered necessary.

Inventory

Inventory consists of various items donated to the Organization's thrift store and is valued at the estimated fair market value.

Note Receivable

In July 2014, the Organization sold its interest in a building to the Blue Earth County Historical Society. The Organization has a note receivable as part of the sale. The balance owed on the note is \$216,325 and \$224,241 at June 30, 2016 and 2015, respectively. The note is payable in quarterly payments of \$3,921 with the unpaid balance due July 1, 2016. The interest rate is 3.25%. The Organization collected the remaining balance in July 2016. Accordingly, no allowance for doubtful accounts is considered necessary.

Property and Equipment

Property and equipment is stated at cost; donated assets are valued at their estimated fair value on the date of donation. Major additions and betterments greater than \$1,000 are charged to the equipment accounts, while replacements, maintenance, and repairs which do not improve or extend the life of the respective assets are expensed currently. When equipment is retired or otherwise disposed of, the cost of the equipment is removed from the asset account, accumulated depreciation is charged with an amount equivalent to the depreciation provided, and the difference, after taking into account any salvage realized, is charged or credited to income. Depreciation is computed on the straight-line method over the estimated useful lives ranging from three to fifty years.

Tenant Deposits

Tenant deposits consist of deposits from entities leasing space in the Organization's building and refundable deposits for future activities.

Deferred Revenue

Deferred revenue consists of grants and memberships to use the fitness facilities that have been received in advance.

VINE FAITH IN ACTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

Salaries and related expenses are allocated based on grants and timesheet allocation. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting services, are allocated based on the best estimate of management.

In-Kind Services and Facilities

The Organization receives a significant amount of donated services from unpaid volunteers who assist in program activities, special events, and fundraising.

Contributions of donated services that require specialized skills are provided by individuals possessing those skills that would typically need to be purchased, if not provided by donation, are recorded at their fair values in the period received. Contributions of facilities and goods are recorded at their fair values in the period received.

Advertising

The Organization expenses all advertising costs as they are incurred. Total advertising costs were \$9,952 and \$28,559 for the years ended June 30, 2016 and 2015, respectively.

Income Taxes

The Organization is exempt from federal and state income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code.

The Organization has evaluated its tax positions and has determined it has no uncertain tax positions as of June 30, 2016 and 2015.

Change in Accounting Principle

The Organization has adopted the accounting guidance in FASB Accounting Standards Update (ASU) No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 requires organizations to present debt issuance costs as a direct deduction from the face amount of the related borrowings, amortize debt issuance costs using the effective interest method over the life of the debt, and record the amortization as a component of interest expense. The effect of adopting the new standard decreased the debt issuance costs asset to zero and decreased the debt liability by \$6,829 as of July 1, 2015. The adoption of the standard had no effect on previously reported net assets. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. The ASU is retrospectively applied. The Organization has elected to adopt this change in accounting principle as of July 1, 2015, prior to its effective date.

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 previously reported net assets.

**VINE FAITH IN ACTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 9, 2016, the date the financial statements were available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

	2016	2015
Land	\$ 405,412	\$ 405,412
Buildings and Improvement	7,569,367	7,569,367
Equipment and Vehicles	493,064	496,219
Construction in Process	124,348	-
Total	8,592,191	8,470,998
Less: Accumulated Depreciation	(710,478)	(426,846)
Net Property and Equipment	<u>\$ 7,881,713</u>	<u>\$ 8,044,152</u>

The Organization has entered into several contracts for the addition of a pool to the existing facility. As of June 30, 2016, total commitments of \$1,098,127 remain on these contracts.

NOTE 3 LONG-TERM DEBT

The Organization's long-term debt consists of the following:

	2016	2015
Note payable to bank with monthly payments of \$3,605 plus interest at 3.875%, with balloon payment due December 19, 2022. Secured by all assets of the thrift store.	\$ 627,304	\$ 645,391
Note payable to Minnesota Department of Employment and Economic Development with semi-annual payments of \$14,500 plus interest at 1% through February 15, 2019. Unsecured.	84,012	113,258
Note payable to bank with monthly payments of \$20,948, plus interest at 4.10%, with balloon payment due May 21, 2023. Secured by all assets of the Organization.	3,754,051	3,842,554
Total Long-Term Debt	4,465,367	4,601,203
Less Unamortized Issuance Costs	(18,898)	(6,829)
Total Long-Term Debt, Net of Unamortized Debt Issuance Costs	4,446,469	4,594,374
Less Current Maturities	(147,986)	(134,596)
Total	<u>\$ 4,298,483</u>	<u>\$ 4,459,778</u>

VINE FAITH IN ACTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 3 LONG-TERM DEBT (CONTINUED)

Debt issuance costs are being amortized over the life of the notes payable. Amortization expense recognized on debt issuance costs was \$912 for the years ended June 30, 2016 and 2015, and has been included in interest expense on the accompanying statements of activities.

Maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 147,986
2018	151,744
2019	155,652
2020	133,624
2021	663,906
Thereafter	3,212,455
Total	<u>\$ 4,465,367</u>

In June 2016, the Organization entered into a construction line of credit agreement with credit available up to \$600,000. The interest rate on amounts borrowed is 4.10%. Monthly payments of accrued interest are due through December 24, 2016. Monthly payments of principal and interest are due thereafter with remaining balance due on December 23, 2023. There was no outstanding balance on this agreement as of June 30, 2016.

NOTE 4 LEASES

The Organization leases a copier under a non-cancelable operating lease agreement. Rent expense is \$238 per month. Rent expense for each of the years ended June 30, 2016 and 2015 was \$2,856. Future minimum payments under this lease are as follows: 2017 - \$1,915.

The Organization leases office space to several nonprofit organizations. Future receipts under the leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 137,739
2018	133,644
2019	114,141
Total	<u>\$ 385,524</u>

VINE FAITH IN ACTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30 consisted of:

	2016	2015
Journey of Healing	\$ 3,326	\$ 3,326
PALS	-	668
VFTT	3,500	4,780
Pool	339,141	147,184
Garage	9,953	9,953
20th Anniversary	-	650
Hearing Loop	4,500	-
Eventis	10,000	-
Donor Restricted Contributions	5,290	14,849
Total	<u>\$ 375,710</u>	<u>\$ 181,410</u>

Temporarily restricted net assets were releases as follows for the years ended June 30:

	2016	2015
XYZ	\$ -	\$ 269
Summit Center	-	5,000
PALS	668	1,389
VFTT	1,280	40,480
20th Anniversary	650	-
Donor Restricted Contributions	14,848	71,886
Total	<u>\$ 17,446</u>	<u>\$ 119,024</u>

NOTE 6 CONCENTRATIONS

During the year ended June 30, 2016, the Organization had one donor on which contributions exceeded 10% of total contributions. Total contributions from this donor totaled 24% for the year ended June 30, 2016.

