

**Back Bay Mission  
Biloxi, Mississippi**

**Financial Statements  
December 31, 2013**

**Back Bay Mission  
Financial Statements**

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December 31, 2013

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## **Independent Auditor's Report**

To the Board of Directors of  
Back Bay Mission  
Biloxi, Mississippi

We have audited the accompanying financial statements of Back Bay Mission (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Back Bay Mission as of December 31, 2013 and 2012, 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.

*Altko and Company, P.L.L.C.*  
Certified Public Accountants

Biloxi, Mississippi  
October 3, 2014

**Back Bay Mission**  
**Statements of Financial Position**

	December 31,	
	2013	2012
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents, partially restricted	\$ 382,809	\$ 469,223
Grants receivable	-0-	20,374
Prepaid expense	16,000	-0-
Due from Gulf Coast Housing Initiative, net	20,938	3,920
Investments	<u>52,576</u>	<u>53,798</u>
Total current assets	<u>472,323</u>	<u>547,315</u>
<b>Long-term assets</b>		
Investments	3,297,759	2,887,760
Utility deposits	<u>350</u>	<u>350</u>
Total long-term assets	<u>3,298,109</u>	<u>2,888,110</u>
<b>Other assets</b>		
Property and equipment, net of depreciation	<u>1,823,620</u>	<u>2,090,199</u>
Total assets	<u>\$ 5,594,052</u>	<u>\$ 5,525,624</u>
 <b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accrued payroll taxes	\$ <u>76</u>	\$ <u>73</u>
<b>Net assets</b>		
Unrestricted	4,936,099	4,981,814
Temporarily restricted	34,507	9,906
Permanently restricted	<u>623,370</u>	<u>533,831</u>
Total net assets	<u>5,593,976</u>	<u>5,525,551</u>
Total liabilities and net assets	<u>\$ 5,594,052</u>	<u>\$ 5,525,624</u>

*The accompanying notes are an integral part of these financial statements.*

**Back Bay Mission**  
**Statements of Activities**  
For the Year Ended December 31, 2013 and 2012

	December 31, 2013			December 31, 2012				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Public Support and Revenue</b>								
Public support								
Contributions	\$ 577,205	\$ 20,937	\$ -0-	\$ 598,142	\$ 547,987	\$ -0-	\$ 547,987	\$ 547,987
Bequests and trusts	89,626	-0-	-0-	89,626	90,046	-0-	90,046	90,046
Fund raising activities	7,909	-0-	-0-	7,909	5,725	-0-	5,725	5,725
Total public support	<u>674,740</u>	<u>20,937</u>	<u>-0-</u>	<u>695,677</u>	<u>643,758</u>	<u>-0-</u>	<u>643,758</u>	<u>643,758</u>
Grants and contracts								
Government	-0-	464,346	-0-	464,346	-0-	465,697	-0-	465,697
Other	224,186	-0-	-0-	224,186	374,698	-0-	374,698	374,698
Total grants and contracts	<u>224,186</u>	<u>464,346</u>	<u>-0-</u>	<u>688,532</u>	<u>374,698</u>	<u>465,697</u>	<u>-0-</u>	<u>840,395</u>
<b>Other revenue</b>								
Investment income	314,583	-0-	97,008	411,591	274,036	-0-	71,570	345,606
Program income	117,278	-0-	-0-	117,278	67,595	-0-	-0-	67,595
Total other revenue	<u>431,861</u>	<u>-0-</u>	<u>97,008</u>	<u>528,869</u>	<u>341,631</u>	<u>-0-</u>	<u>71,570</u>	<u>413,201</u>
Totals	1,330,787	485,283	97,008	1,913,078	1,360,087	465,697	71,570	1,897,354
Net assets released from restrictions	468,151	(460,682)	(7,469)	-0-	474,968	(466,985)	(7,983)	-0-
Total support and revenue	<u>1,798,938</u>	<u>24,601</u>	<u>89,539</u>	<u>1,913,078</u>	<u>1,835,055</u>	<u>(1,288)</u>	<u>63,587</u>	<u>1,897,354</u>
<b>Expenses</b>								
Program services	1,435,134	-0-	-0-	1,435,134	1,270,198	-0-	-0-	1,270,198
Supporting services	409,519	-0-	-0-	409,519	349,898	-0-	-0-	349,898
Total expenses	<u>1,844,653</u>	<u>-0-</u>	<u>-0-</u>	<u>1,844,653</u>	<u>1,620,096</u>	<u>-0-</u>	<u>-0-</u>	<u>1,620,096</u>
Change in net assets	(45,715)	24,601	89,539	68,425	214,959	(1,288)	63,587	277,258
Net assets, beginning of year	4,981,814	9,906	533,831	5,525,551	4,766,855	11,194	470,244	5,248,293
Net assets, end of year	<u>\$ 4,936,099</u>	<u>\$ 34,507</u>	<u>\$ 623,370</u>	<u>\$ 5,593,976</u>	<u>\$ 4,981,814</u>	<u>\$ 9,906</u>	<u>\$ 533,831</u>	<u>\$ 5,525,551</u>

The accompanying notes are an integral part of these financial statements.

**Back Bay Mission**  
**Statements of Functional Expenses**  
For the Years Ended December 31, 2013 and 2012

	December 31, 2013			December 31, 2012			
	Supporting Services			Supporting Services			
	Program Services	Management & General	Fund Raising	Program Services	Management & General	Fund Raising	Total
<b>Personnel</b>							
Salaries	\$ 404,204	\$ 17,522	\$ 105,442	\$ 527,168	\$ 17,118	\$ 68,182	\$ 429,584
Housing allowance	9,460	1,577	1,577	12,614	2,250	2,250	18,000
Payroll taxes and employee benefits	134,949	7,465	19,539	161,953	7,311	14,420	143,478
Total personnel	<u>548,613</u>	<u>26,564</u>	<u>126,558</u>	<u>701,735</u>	<u>26,679</u>	<u>84,852</u>	<u>591,062</u>
<b>Occupancy</b>							
Security	1,046	402	161	1,609	396	158	1,583
Repairs and maintenance	22,879	5,236	340	28,455	5,991	131	28,901
Telephone	10,055	3,173	1,269	14,497	2,950	1,180	14,490
Utilities	30,949	1,321	528	32,798	1,304	522	28,038
Total occupancy expenses	<u>64,929</u>	<u>10,132</u>	<u>2,298</u>	<u>77,359</u>	<u>10,641</u>	<u>1,991</u>	<u>73,012</u>
<b>Equipment</b>							
Repairs and maintenance	<u>14,533</u>	<u>790</u>	<u>790</u>	<u>16,113</u>	<u>774</u>	<u>774</u>	<u>13,410</u>
<b>Direct Program Expenses</b>							
Permanent housing and homeless assistance	233,431	-0-	-0-	233,431	-0-	-0-	120,269
Affordable housing	70,475	-0-	-0-	70,475	-0-	-0-	61,255
Emergency assistance	90,066	-0-	-0-	90,066	-0-	-0-	86,876
Food pantry	4,987	-0-	-0-	4,987	-0-	-0-	7,000
Workcamp and housing rehab	116,617	-0-	-0-	116,617	-0-	-0-	156,721
Community empowerment	30,581	-0-	-0-	30,581	-0-	-0-	26,382
Total direct program expenses	<u>546,157</u>	<u>-0-</u>	<u>-0-</u>	<u>546,157</u>	<u>-0-</u>	<u>-0-</u>	<u>458,503</u>
<b>Balance carried forward</b>	<u>1,174,232</u>	<u>37,486</u>	<u>129,646</u>	<u>1,341,364</u>	<u>1,010,276</u>	<u>\$ 38,094</u>	<u>\$ 87,617</u>
							<u>\$ 1,135,987</u>

*The accompanying notes are an integral part of these financial statements.*

**Back Bay Mission**  
**Statements of Functional Expenses**  
For the Years Ended December 31, 2013 and 2012  
(Continued)

	December 31, 2013			December 31, 2012				
	Supporting Services		Program Services	Supporting Services		Program Services		
	Management General	Fund Raising		Management General	Fund Raising			
Program Services	Management General	Fund Raising	Total	Management General	Fund Raising	Total		
<b>Balance brought forward</b>	<u>\$ 1,174,232</u>	<u>\$ 37,486</u>	<u>\$ 129,646</u>	<u>\$ 1,341,364</u>	<u>\$ 1,010,276</u>	<u>\$ 38,094</u>	<u>\$ 87,617</u>	<u>\$ 1,135,987</u>
<b>Administrative</b>								
Insurance	20,860	6,954	-	27,814	17,184	5,728	-	22,912
Miscellaneous	370	-	6,010	6,380	2,600	-	-	2,600
Outside services	-	24,033	21,738	45,771	-	7,388	34,963	42,351
Postage and office expense	14,758	2,460	14,334	31,552	15,459	2,577	8,680	26,716
Printing	-	-	48,578	48,578	-	-	43,585	43,585
Promotion	-	-	9,853	9,853	-	-	11,123	11,123
Travel	4,890	4,890	5,938	15,718	7,057	7,056	9,014	23,127
Board of Directors expenses	<u>14,273</u>	<u>2,379</u>	<u>2,379</u>	<u>19,031</u>	<u>14,029</u>	<u>2,338</u>	<u>2,338</u>	<u>18,705</u>
Total administrative expense	<u>55,151</u>	<u>40,716</u>	<u>108,830</u>	<u>204,697</u>	<u>56,329</u>	<u>25,087</u>	<u>109,703</u>	<u>191,119</u>
<b>Other expenses</b>								
Conferences and training	<u>4,168</u>	<u>5,754</u>	<u>695</u>	<u>10,617</u>	<u>4,681</u>	<u>3,369</u>	<u>780</u>	<u>8,830</u>
Total expenses before depreciation expense	<u>1,233,551</u>	<u>83,956</u>	<u>239,171</u>	<u>1,556,678</u>	<u>1,071,286</u>	<u>66,550</u>	<u>198,100</u>	<u>1,335,936</u>
Depreciation expense	<u>201,583</u>	<u>43,196</u>	<u>43,196</u>	<u>287,975</u>	<u>198,912</u>	<u>42,624</u>	<u>42,624</u>	<u>284,160</u>
Total functional expenses	<u>\$ 1,435,134</u>	<u>\$ 127,152</u>	<u>\$ 282,367</u>	<u>\$ 1,844,653</u>	<u>\$ 1,270,198</u>	<u>\$ 109,174</u>	<u>\$ 240,724</u>	<u>\$ 1,620,096</u>

*The accompanying notes are an integral part of these financial statements.*



**Back Bay Mission**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2013 and 2012

	<b>December 31,</b>	
	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities</b>		
Cash received from public support	\$ 695,677	\$ 643,758
Cash received from grants and contracts	692,906	737,316
Cash received from program operations	117,278	67,595
Cash disbursed for program expenses	( 1,250,566)	( 1,071,286)
Cash disbursed for supporting and fundraising expenses	( <u>323,127</u> )	( <u>264,577</u> )
Net cash provided by (used in) operating activities	( <u>67,832</u> )	<u>112,806</u>
<b>Cash flows from investing activities</b>		
Net investment redemptions (purchases)	( 44,201)	( 79,851)
Purchases of fixed assets	( 21,396)	( 88,278)
Cash received from dividends and interest	<u>47,015</u>	<u>50,587</u>
Net cash used in investing activities	( <u>18,582</u> )	( <u>117,542</u> )
Net decrease in cash and cash equivalents	( 86,414)	( 4,736)
Cash and cash equivalents, beginning of year	<u>469,223</u>	<u>473,959</u>
Cash and cash equivalents, end of year	\$ <u>382,809</u>	\$ <u>469,223</u>
<b>Supplemental schedule of noncash investing activities:</b>		
In-kind construction cost	\$ <u>-0-</u>	\$( <u>78,785</u> )
<b>Reconciliation of changes in net assets to net cash provided by operating activities:</b>		
Change in net assets	\$ 68,425	\$ 277,258
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	287,975	284,160
In-kind contract revenue	-0-	( 78,785)
Decrease (increase) in receivables	3,356	( 24,294)
Increase in prepaid expenses	( 16,000)	-0-
Investment income	( 411,591)	( 345,606)
Increase in accrued expenses	<u>3</u>	<u>73</u>
Net cash provided by (used in) operating activities	\$( <u>67,832</u> )	\$ <u>112,806</u>

*The accompanying notes are an integral part of these financial statements.*

**Back Bay Mission**  
**Notes to Financial Statements**  
December 31, 2013 and 2012

**Note 1 - Description of Organization**

Back Bay Mission (the Mission), located in Biloxi, Mississippi, is an affiliate of the United Church of Christ and is a non-profit community welfare organization, which meets community needs and improves the welfare of citizens. The Mission is supported primarily through contributions from the public and various churches and state conferences.

Back Bay Mission is exempt from federal and state income tax as an affiliate of the United Church of Christ under Section 501(c)(3) of the Internal Revenue Code and has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code. As a church affiliate, the Organization is not required to file Form 990 with the Internal Revenue Service.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of accounting** - The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America under the accrual basis of accounting. The accrual basis of accounting is the method of accounting under which liabilities and expenses are recorded when incurred, whether or not paid, and income is recorded when earned, whether or not received.

**Basis of presentation** - The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Mission is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and cash equivalents** - Cash and cash equivalents include all monies in banks, the money market funds held in safekeeping through Peoples Bank Trust Department, and highly liquid investments with maturity dates of less than three months. The carrying value of cash equivalents approximate fair value because of the short maturities of those financial instruments.

**Back Bay Mission**  
**Notes to Financial Statements**  
December 31, 2013 and 2012

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Investments** - Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statements of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted.

**Property and equipment** - Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

**Revenue recognition** - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 statements of activities as net assets released from restriction.

Unconditional promises to give are recorded at the time the pledge is received as temporarily restricted support because they are not available for unrestricted use. Pledges expected to be received in the next year are reflected as current promises to give and are recorded at their net realizable value. Pledges due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Uncollectible pledges are charged to bad debt expense at the time they are determined to be uncollectible. As of December 31, 2013 and 2012, the Mission had no significant unconditional promises to give recorded in the financial statements.

**Donated services, materials and assets** - The Mission receives a substantial amount of services donated by volunteers in carrying out the Mission's ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116.

**Back Bay Mission**  
**Notes to Financial Statements**  
December 31, 2013 and 2012

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Donated services, materials and assets (continued).** The Mission receives various donations of food, health kits (including toiletries), and other miscellaneous items from time to time for use in the Mission's ministries. However, such items are not valued by the Mission when received. In addition, the Mission acquires food for its Food Pantry Program from Twelve Baskets, Inc. at prices below fair market value and obtains commodities free of charge through the U.S.D.A. The difference between the true value of the food and the minimal amount paid has not been valued or recorded in the financial statements.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of 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, are recorded at their fair value in the period received.

**Expense allocation** - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. For example, directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Mission.

**Note 3 - Cash and Cash Equivalents**

The Mission maintains several bank accounts, as well as trust assets, at local financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000. Cash deposits at December 31, 2013 not covered by FDIC insurance, totaled \$121,400.

**Back Bay Mission**  
**Notes to Financial Statements**  
December 31, 2013 and 2012

**Note 4 – Grants Receivable**

The Mission records as grants receivable amounts due from grantors for expenditures incurred for which reimbursement in the form of grant proceeds is expected. Grants receivable at December 31, 2013 and 2012 totaled \$-0- and \$20,374, respectively.

**Note 5 – Investments**

The Mission carries investments in various publicly-traded equity and government-backed debt securities. A summary of investments as of December 31, 2013 and 2012 is as follows:

	<u>December 31, 2013</u>			<u>December 31, 2012</u>		
	<u>Cost/ Donated Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Cost/ Donated Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Unrestricted	\$ 2,160,177	\$ 2,726,965	\$ 2,726,965	\$ 2,080,031	\$ 2,407,727	\$ 2,407,727
Permanently restricted	<u>524,912</u>	<u>623,370</u>	<u>623,370</u>	<u>515,574</u>	<u>533,831</u>	<u>533,831</u>
Total investments	<u>\$ 2,685,089</u>	<u>\$ 3,350,335</u>	<u>\$ 3,350,335</u>	<u>\$ 2,595,605</u>	<u>\$ 2,941,558</u>	<u>\$ 2,941,558</u>

Investment returns are summarized as follows:

	<u>December 31, 2013</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Dividends and interest	\$ 38,715	\$ -0-	\$ 8,300	\$ 47,015
Net realized gains	14,320	-0-	8,508	22,828
Net unrealized gains	262,048	-0-	80,200	342,248
Investment expenses	<u>( 500)</u>	<u>-0-</u>	<u>-0-</u>	<u>( 500)</u>
Net investment income	<u>\$ 314,583</u>	<u>\$ -0-</u>	<u>\$ 97,008</u>	<u>\$ 411,591</u>

  

	<u>December 31, 2012</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Dividends and interest	\$ 41,718	\$ -0-	\$ 8,869	\$ 50,587
Net realized gains	12,708	-0-	-0-	12,708
Net unrealized gains	220,110	-0-	62,701	282,811
Investment expenses	<u>( 500)</u>	<u>-0-</u>	<u>-0-</u>	<u>( 500)</u>
Net investment income	<u>\$ 274,036</u>	<u>\$ -0-</u>	<u>\$ 71,570</u>	<u>\$ 345,606</u>

**Back Bay Mission**  
**Notes to Financial Statements**  
December 31, 2013 and 2012

**Note 6 – Retirement Arrangement with Staff Employees**

All full-time employees of the Mission are eligible to participate in the Annuity Fund - United Church of Christ (the Plan). The Plan is a defined contribution, tax-sheltered annuity plan and is available to clergy and lay employees. Eligible clergy must have full ministerial standing in an Association or Conference of the United Church of Christ. The Mission makes quarterly contributions to the Plan each year equal to 14% of all participants' compensation. Retirement plan expense for 2013 and 2012, totaled \$70,686 and \$59,692, respectively.

**Note 7 – Risk Management**

The Mission is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury, and natural disasters for which the Mission carries commercial insurance.

**Note 8 – Property and Equipment**

Property and equipment at December 31, 2013 and 2012 consisted of the following:

	<b>December 31,</b>	
	<u>2013</u>	<u>2012</u>
Land	\$ 84,542	\$ 84,542
Building and improvements:		
Administration Building	366,185	366,185
Micah Center	1,003,074	1,003,074
Workcamp Dormitory	1,369,020	1,369,020
Guest House	120,669	120,669
Homeport I Building	162,850	162,850
Vehicles	69,234	58,013
Office furniture and equipment	<u>64,790</u>	<u>64,790</u>
Total property and equipment	3,240,364	3,229,143
Less: Accumulated depreciation	<u>1,416,744</u>	<u>1,138,944</u>
Total property and equipment, net	<u>\$ 1,823,620</u>	<u>\$ 2,090,199</u>

Depreciation expense for 2013 and 2012 totaled \$287,975 and \$284,160 respectively.

As more fully described in Note 11, the Mission, during the year ended December 31, 2012, capitalized the cost of construction of the homeless veterans housing facility totaling \$162,850.

**Back Bay Mission**  
**Notes to Financial Statements**  
December 31, 2013 and 2012

**Note 9 – Restrictions and Designations of Net Assets**

**Restrictions** – Temporarily restricted net assets consisting of grant-related cash balances and unexpended designated gifts as of December 31, 2013 and 2012 were as follows:

	December 31,	
	<u>2013</u>	<u>2012</u>
FEMA	\$ 4,368	32
Veterans Supportive Housing	104	126
Department of Housing and Urban Development	9,098	9,748
Shari Prestemon Social Justice Internship	<u>20,937</u>	<u>-0-</u>
Total	<u>\$ 34,507</u>	<u>\$ 9,906</u>

Permanently restricted net assets as of December 31, 2013 and 2012 were as follows:

	December 31,	
	<u>2013</u>	<u>2012</u>
UCF CCM Endowment	\$ 429,084	\$ 372,607
UCF Endowment Fund	<u>194,286</u>	<u>161,224</u>
Total	<u>\$ 623,370</u>	<u>\$ 533,831</u>

The earnings on these permanently restricted assets cannot be utilized for any purpose until such time and purpose that is designated by the board.

**Note 10 – Description of Program and Supporting Services**

The following program and supporting services are included in the accompanying financial statements:

**Back Bay Mission's primary program areas –**

**Direct services** - To low-income and elderly people through emergency assistance, counseling, referral and distribution of food and clothing. Food, prescriptions, gasoline, rental and utility assistance, counseling, advocacy and referral services were provided to 2,964 and 3,357 clients during 2013 and 2012, respectively.

**Community empowerment** - Organizing new services, improving existing ones and changing public attitudes and social legislation.

**Workcamping** - A program offering educational opportunities for Christian service, individual and group growth to United Church of Christ youth and adult groups. These groups currently focus on housing recovery for low-income persons.

**Affordable Housing Initiatives** – A program to develop new construction affordable housing for low to moderate income persons in Harrison County, Mississippi.

**Back Bay Mission**  
**Notes to Financial Statements**  
December 31, 2013 and 2012

**Note 10 – Description of Program and Supporting Services (Continued)**

**Permanent Supportive Housing and Services for the Homeless** – Seventeen apartments are leased in the community for placement of homeless disabled persons, outreach and case management services are also offered, funded by the United States Department of Housing and Urban Development.

**Supportive Services for Veteran Families** – A program that assists veterans and veteran families in need of a home or at risk of losing theirs with services including health care, financial planning, transportation, child care and legal assistance.

**Day Center** – The Micah Day Center provides multiple services to homeless guests at a single site, such as showers, laundry, access to telephones and the internet, and case management.

**Management and general** - Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Mission's program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Mission.

**Fundraising** - Provides the structure necessary to encourage and secure private financial support from individuals, churches and other organizations.

**Note 11 – Homeport Homeless Veterans Housing Project**

During the year ended December 31, 2012, the Mission completed the construction of the Homeless Veterans Housing Project, which was funded through a grant from the United States Department of Housing and Urban Development and through the City of Gulfport in partnership with Gulf Coast Housing Initiative acting as the project administrator. As of the completion of the project in December 2012, GCHI had incurred costs related to the project totaling \$78,785. These costs were recorded by Back Bay Mission as in-kind contract revenue and capitalized with the project costs incurred by the Mission. The project was completed at a total cost of \$162,850.

**Note 12 – Subsequent Events**

The Mission has evaluated subsequent events through October 3, 2014, the date which the financial statements were issued, and identified the following subsequent event:

In April, 2014, the Mission formed a Mississippi single-member LLC known as Homeport, LLC; for the purpose of acquiring, developing, owning and operating all phases of the housing development known as Homeport. The Mission is the sole member of the LLC. The Homeport II building is currently under construction and subsequent to the completion of construction, title to both the Homeport I and Homeport II buildings is expected to be transferred to the LLC where it will manage the rental operations of the properties.