



FINANCIAL STATEMENTS

DECEMBER 31, 2017

**CAPITAL CITY RESCUE MISSION, INC.
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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Capital City Rescue Mission, Inc.
259 South Pearl Street
Albany, NY 12202

I have audited the accompanying financial statements of Capital City Rescue Mission, Inc., which comprise the statement of financial position as of December 31, 2017, and the related statements of activities 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 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.

I 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 Capital City Rescue Mission, Inc. as of December 31, 2017, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 4 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Ghent, New York
September 20, 2018

**CAPITAL CITY RESCUE MISSION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

	Unrestricted	Temporarily Restricted	Total
Current Assets:			
Cash and Cash Equivalents	\$ 2,624,644	\$ 116,531	\$ 2,741,175
Investments			
Available for Ministries (Note 6)	413,318	-	413,318
Total Current Assets	3,037,962	116,531	3,154,493
Fixed Assets:			
Land	182,425	-	182,425
Property and Equipment			
Net of Accumulated Depreciation of \$4,272,807 (Note 2)	8,570,104	-	8,570,104
Total Assets	\$ 11,790,491	\$ 116,531	\$ 11,907,022
Current Liabilities:			
Accounts Payable	\$ 160,068	\$ -	\$ 160,068
Total Current Liabilities	160,068	-	160,068
Long Term Liabilities:			
Deferred Annuity (Note 3)	771	-	771
Total Long Term Liabilities	771	-	771
Total Liabilities	160,839	-	160,839
Net Assets			
Net Assets (Note 4)	11,629,652	116,531	11,746,183
Total Liabilities and Net Assets	\$ 11,790,491	\$ 116,531	\$ 11,907,022

See Accompanying Notes to Financial Statements

**CAPITAL CITY RESCUE MISSION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>SUPPORT:</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Donations (Note 1 A)	\$ 3,511,875	\$ 250,461	\$ 3,762,336
Donations: non cash (Note 1 C)	925,168	-	925,168
Banquet	209,461	-	209,461
Bailer Income	44,825	-	44,825
Net of expenses \$9,118 (Note 5)			
Interest and Dividend Income	201	-	201
Investments	3,408	-	3,408
Total Support	<u>4,694,938</u>	<u>250,461</u>	<u>4,945,399</u>
 Assets Released from Restrictions	 <u>150,652</u>	 <u>(150,652)</u>	 <u>-</u>
 <u>EXPENSES:</u>			
Program	2,935,550	-	2,935,550
Fundraising	481,841	-	481,841
Management and General	476,110	-	476,110
Total Expenses	<u>3,893,501</u>	<u>-</u>	<u>3,893,501</u>
 Change in Net Assets	 <u>952,089</u>	 <u>99,809</u>	 <u>1,051,898</u>
 Net Assets - Beginning of Year	 <u>10,677,563</u>	 <u>16,722</u>	 <u>10,694,285</u>
 Net Assets - End of Year	 <u>\$ 11,629,652</u>	 <u>\$ 116,531</u>	 <u>\$ 11,746,183</u>

See Accompanying Notes to Financial Statements

**CAPITAL CITY RESCUE MISSION, INC.
STATEMENT OF FUNCTIONAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Program	Management and General	Fundraising	TOTAL
Salaries	\$ 665,192	\$ 250,652	\$ 48,202	\$ 964,046
Program	571,329	-	-	571,329
Food	564,267	-	-	564,267
Occupancy	406,172	26,489	8,830	441,491
Fundraising	-	-	389,031	389,031
Depreciation	273,002	72,801	18,200	364,003
General Supplies	160,715	-	-	160,715
Professional Fees	20,160	80,639	-	100,799
Employee Benefits	68,331	15,769	3,504	87,604
Public Education	68,652	-	-	68,652
Payroll Taxes	46,719	17,604	3,385	67,708
Banquet	25,408	-	6,352	31,760
Transportation	25,406	-	-	25,406
Postage	13,010	4,337	4,337	21,684
Telephone	16,909	-	-	16,909
Office Supplies	4,677	7,016	-	11,693
Conventions and Meetings	3,212	803	-	4,015
Dues and Memberships	2,389	-	-	2,389
	<u>\$ 2,935,550</u>	<u>\$ 476,110</u>	<u>\$ 481,841</u>	<u>\$ 3,893,501</u>

See Accompanying Notes to Financial Statements

**CAPITAL CITY RESCUE MISSION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Cash Flows From Operating Activities:</u>	<u>Unrestricted</u>
Change in Net Assets	\$ 1,051,898
Adjustments to Reconcile Change in Net Assets To Net Cash provided (Used) By Operating Activities:	
Depreciation	364,003
Increase in Accounts Payable	11,129
(Decrease) in Accrued Items	(407)
Net Cash Provided (Used) by Operating Activities	1,426,623
Adjustments to Reconcile Change in Net Assets To Net Cash provided (Used) By Investing Activities:	
Purchase of fixed assets	(405,606)
Net Cash Provided (Used) by Investing Activities	(405,606)
Total Adjustments:	1,021,017
Cash at Beginning of Year	2,133,476
Cash at End of Year	\$3,154,493

See Accompanying Notes to Financial Statements

CAPITAL CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1: Summary of Significant Accounting Policies

- A) Organization In 2007 Capital City Rescue Mission (the Company) was merged with a newly formed corporation called Capital City Gospel Mission, an article nine, non-membership Church. The corporation is a not-for-profit corporation under the laws of the State of New York. This new corporation, Capital City Gospel Mission received the assets of the former corporation, Capital City Rescue Mission. Capital City Gospel Mission has legally assumed the name "Capital City Rescue Mission" and is doing business under this name with the Secretary of State. Capital City Gospel Mission is exempt from income taxes under section 501 (c) (3) of the internal revenue code. Capital City Rescue Mission is dedicated to proclaiming the life changing gospel of Jesus Christ to the homeless and needy of the Capital region, providing for the whole person – body, mind and spirit – to help them return to society maturing in Christ as productive citizens.
- B) Basis of Accounting – The organization, prepares its financial statements on the accrual basis of accounting, in accordance with generally accepted accounting principles. Net assets and support/donations, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:
1. Unrestricted Net Assets:
Unrestricted net assets are net assets that are not subject to donor-imposed stipulations.
 2. Temporarily Restricted Net Assets:
Temporarily restricted net assets are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. 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.
 3. Permanently Restricted Net Assets:
Permanently restricted net assets are net assets subject to donor-imposed stipulations, which require that they be maintained permanently by the organization. Generally, the donors of these assets permit the organization to use all or part of the income they earned on any related investments for general or specific purposes.

C) Donations non cash

The Company recognizes revenue and expenses from donated services and items from the following: food of \$481,925 that was calculated at \$2.05 per meal, clothing of \$373,417 calculated at \$2.50 per piece of clothing, and doctor's hours 1,164 at a rate of \$60 per hour totaling \$69,826. Other services are donated to the organization by volunteers, including Board members; no amounts have been reflected in accordance with SFAS No. 116. The amount of volunteer hours that made it possible for the mission to function in 2017 were 44,237.

D) Fair Value Measurements

Fair Value is defined under GAAP as an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability. GAAP establishes a three-tier fair value hierarchy, which prioritized the inputs used in measuring fair value. These tiers include: Level 1. Defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

NOTE 2: Property and Equipment

Property and equipment are capitalized at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method of accounting.

NOTE 3: Annuity Contract

On May 17, 2002 Ruth Crawley donated a non-assignable annuity for the sum of \$5,809 to the Company. The contract states that if donor is alive on May 17th 2002 then semi-annual payments of \$203.33 begin. The payments began in 2002 as per contract. The amount represented as a liability was calculated by an actuarial assumption from the deferred gift annuity contract.

NOTE 4: Net Assets Restricted

Donations that are for a specified purpose are tracked separately and matched with the expenses to be sure they are spent for their specified purpose. This amount represents amounts received for the clinic, building improvements, learning center, gifts, and for the women and children's program that have not been spent as of December 31, 2017.

NOTE 5: Bailer Income

The donated clothes deemed unusable are recycled through a company called Wilson Marketing. Wilson Marketing paid an average of 65 cents per pound for shoes; 14 cents per pound for clothes and 25 cents per pound for purses in 2017 to the Company.

NOTE 6: Investments

The Company has investments accounts that contain within them Money Market Funds and Fixed Income Securities. All securities are measured at fair market value as of December 31, 2017. Investment income is recorded as it is earned and changes in market value are recognized as unrealized gains and losses. There were no investment expenses for the year ended December 31, 2017. The gain or loss is determined by a comparison of specific cost of acquisition to proceeds at disposition.

The price for cash equivalents, such as investment securities and U.S. government agency instruments, which are readily available in the active markets in which those securities are traded are categorized as Level 1. The company did not invest in any instruments whose valuation would be categorized as Level 2 or Level 3.

Investments are composed of the following:

Cash and Cash Equivalents	\$ 380,256
Fixed Income Securities	<u>33,062</u>
Total Investments	<u>\$ 413,318</u>