



Giving Hope... Transforming Lives.

FINANCIAL STATEMENTS

DECEMBER 31, 2018

**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, 2018, 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, 2018, 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 5 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
October 10, 2019

**CAPITAL CITY RESCUE MISSION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Current Assets:			
Cash and Cash Equivalents	\$ 922,846	\$ 15,452	\$ 938,298
Investments			
Available for Ministries (Note 6)	<u>2,448,083</u>	<u>-</u>	<u>2,448,083</u>
Total Current Assets	<u>3,370,929</u>	<u>15,452</u>	<u>3,386,381</u>
Fixed Assets:			
Land	182,425	-	182,425
Property and Equipment			
Net of Accumulated Depreciation of \$4,649,533 (Note 2)	<u>8,724,144</u>	<u>-</u>	<u>8,724,144</u>
Total Assets	<u><u>\$ 12,277,498</u></u>	<u><u>\$ 15,452</u></u>	<u><u>\$ 12,292,950</u></u>
Current Liabilities:			
Accounts Payable	<u>\$ 56,626</u>	<u>\$ -</u>	<u>\$ 56,626</u>
Total Current Liabilities	<u>56,626</u>		<u>56,626</u>
Long Term Liabilities:			
Deferred Annuity (Note 3)	<u>363</u>	<u>-</u>	<u>363</u>
Total Long Term Liabilities	<u>363</u>	<u>-</u>	<u>363</u>
Total Liabilities	56,989	-	56,989
Net Assets			
Net Assets (Note 4)	<u>12,220,509</u>	<u>15,452</u>	<u>12,235,961</u>
Total Liabilities and Net Assets	<u><u>\$ 12,277,498</u></u>	<u><u>\$ 15,452</u></u>	<u><u>\$ 12,292,950</u></u>

See Accompanying Notes to Financial Statements

**CAPITAL CITY RESCUE MISSION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>SUPPORT:</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Donations (Note 1 A)	\$ 3,303,806	\$ 246,690	\$ 3,550,496
Donations: non cash (Note 1 C)	983,432	-	983,432
Banquet	213,709	-	213,709
Bailer Income	46,238	-	46,238
Net of expenses \$11,758 (Note 5)			
Interest and Dividend Income	113	-	113
Investments	34,765	-	34,765
Total Support	<u>4,582,063</u>	<u>246,690</u>	<u>4,828,753</u>
 Assets Released from Restrictions	 <u>347,769</u>	 <u>(347,769)</u>	 <u>-</u>
 <u>EXPENSES:</u>			
Program	3,292,448		3,292,448
Management and General	497,853	-	497,853
Fundraising	548,674	-	548,674
Total Expenses	<u>4,338,975</u>	<u>-</u>	<u>4,338,975</u>
 Change in Net Assets	 <u>590,857</u>	 <u>(101,079)</u>	 <u>489,778</u>
 Net Assets - Beginning of Year	 <u>11,629,652</u>	 <u>116,531</u>	 <u>11,746,183</u>
 Net Assets - End of Year	 <u>\$ 12,220,509</u>	 <u>\$ 15,452</u>	 <u>\$ 12,235,961</u>

See Accompanying Notes to Financial Statements

**CAPITAL CITY RESCUE MISSION, INC.
STATEMENT OF FUNCTIONAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program	Management and General	Fundraising	TOTAL
Salaries	\$ 726,886	\$ 273,899	\$ 52,673	\$ 1,053,458
Food	639,269	-	-	639,269
Occupancy	545,112	35,551	11,850	592,513
Program	567,195	-	-	567,195
Fundraising	-	-	447,715	447,715
Depreciation	279,509	74,536	18,633	372,678
General Supplies	163,798	-	-	163,798
Employee Benefits	76,980	17,765	3,948	98,693
Public Education	79,008	-	-	79,008
Professional Fees	15,525	62,099	-	77,624
Transportation	75,057	-	-	75,057
Payroll Taxes	51,280	19,323	3,716	74,319
Banquet	22,917	-	5,729	28,646
Postage	13,229	4,410	4,410	22,049
Telephone	20,296	-	-	20,296
Office Supplies	5,417	8,126	-	13,543
Conventions and Meetings	8,584	2,144	-	10,728
Dues and Memberships	2,386	-	-	2,386
	<u>\$ 3,292,448</u>	<u>\$ 497,853</u>	<u>\$ 548,674</u>	<u>\$ 4,338,975</u>

See Accompanying Notes to Financial Statements

**CAPITAL CITY RESCUE MISSION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Cash Flows From Operating Activities:</u>	<u>Unrestricted</u>
Change in Net Assets	\$ 489,778
Adjustments to Reconcile Change in Net Assets To Net Cash provided (Used) By Operating Activities:	
Depreciation	372,678
(Decrease) in Accounts Payable	(103,442)
(Decrease) in Accrued Items	<u>(406)</u>
Net Cash Provided (Used) by Operating Activities	758,608
Adjustments to Reconcile Change in Net Assets To Net Cash provided (Used) By Investing Activities:	
Purchase of fixed assets	<u>(526,720)</u>
Net Cash Provided (Used) by Investing Activities	<u>(526,720)</u>
Total Adjustments:	231,888
Cash at Beginning of Year	<u>3,154,493</u>
Cash at End of Year	<u><u>\$3,386,381</u></u>

See Accompanying Notes to Financial Statements

CAPITAL CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 Rescue 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 \$530,420 that was calculated at \$2.17 per meal, clothing of \$378,252 calculated at \$2.50 per piece of clothing, and doctor's hours 1,246 at a rate of \$60 per hour totaling \$74,760. 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 2018 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, 2018.

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 2018 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, 2018. 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, 2018. 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	\$ 2,414,968
Fixed Income Securities	<u>33,115</u>
Total Investments	<u>\$ 2,448,083</u>