



CITY MISSION OF SCHENECTADY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

CITY MISSION OF SCHENECTADY

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
City Mission of Schenectady

Opinion

We have audited the accompanying financial statements of the City Mission of Schenectady (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City Mission of Schenectady as of September 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City Mission of Schenectady and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Mission of Schenectady's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City Mission of Schenectady's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Mission of Schenectady's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CUSACK & COMPANY CPAS, LLC

Latham, New York
December 19, 2023

CITY MISSION OF SCHENECTADY

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets		
Cash, Operating and Designated	\$ 4,746,315	\$ 6,378,918
Accounts and Legacies Receivable, Net	237,736	140,855
Investments	3,060,640	1,060,359
Inventory	60,000	57,000
Prepaid Expenses	<u>104,341</u>	<u>105,707</u>
Total Current Assets	<u>8,209,032</u>	<u>7,742,839</u>
Property, Plant and Equipment, Net	<u>9,783,733</u>	<u>9,526,123</u>
Other Assets		
Cash with Donor Restrictions	900,345	684,757
Investments with Donor Restrictions	979,040	978,868
Donor Advised Fund	<u>847,479</u>	<u>847,479</u>
Total Other Assets	<u>2,726,864</u>	<u>2,511,104</u>
Total Assets	<u>\$ 20,719,629</u>	<u>\$ 19,780,066</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Current Portion of Long-Term Debt	\$ 20,182	\$ 20,182
Accounts Payable	147,355	143,924
Accrued Payroll and Other Accrued Expenses	73,768	59,498
Compensated Absences	158,926	157,816
Deferred Revenue	<u>10,506</u>	<u>3,650</u>
Total Current Liabilities	410,737	385,070
Long-Term Debt, Net of Current Portion	<u>16,818</u>	<u>38,682</u>
Total Liabilities	<u>427,555</u>	<u>423,752</u>
Net Assets		
Without Donor Restrictions:		
Designated by the Board for Future Ministries	5,231,949	3,899,636
Donor Advised Fund	847,479	847,479
Undesignated	<u>12,333,261</u>	<u>12,945,575</u>
Total Net Assets without Donor Restrictions	<u>18,412,689</u>	<u>17,692,690</u>
With Donor Restrictions:		
Purpose Restricted	923,652	708,063
Perpetual in Nature	<u>955,733</u>	<u>955,561</u>
Total Net Assets with Donor Restrictions	<u>1,879,385</u>	<u>1,663,624</u>
Total Net Assets	<u>20,292,074</u>	<u>19,356,314</u>
Total Liabilities and Net Assets	<u>\$ 20,719,629</u>	<u>\$ 19,780,066</u>

CITY MISSION OF SCHENECTADY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Grants and Contributions of Cash and Other Financial Assets	\$ 5,671,681	\$ 820,498	\$ 6,492,179
Contributions of Nonfinancial Assets	233,378	-	233,378
Special Events, Net	95,317	-	95,317
Program Sales	891,193	-	891,193
Program Fees	127,021	-	127,021
Program Service Contracts	178,148	-	178,148
Investment Returns, Net	263,198	172	263,370
Miscellaneous Revenue	5,961	-	5,961
Loss on Disposal of Assets	(14,721)	-	(14,721)
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	<u>604,909</u>	<u>(604,909)</u>	<u>-</u>
 Total Support, Revenue and Reclassifications	 <u>8,056,085</u>	 <u>215,761</u>	 <u>8,271,846</u>
 Expenses			
Program Services			
Community Outreach	354,242	-	354,242
Educational and Career	252,164	-	252,164
Nutritional Services	997,996	-	997,996
Empower Health	618,373	-	618,373
Residential Services	2,375,092	-	2,375,092
Social Enterprise	699,755	-	699,755
Community Development Housing	229,977	-	229,977
Other Program Related	<u>559,836</u>	<u>-</u>	<u>559,836</u>
 Total Program Services	 6,087,435	 -	 6,087,435
 General and Administrative Development	 641,848 <u>606,803</u>	 - <u>-</u>	 641,848 <u>606,803</u>
 Total Expenses	 <u>7,336,086</u>	 <u>-</u>	 <u>7,336,086</u>
 Change in Net Assets	 719,999	 215,761	 935,760
 Net Assets, Beginning of Year	 <u>17,692,690</u>	 <u>1,663,624</u>	 <u>19,356,314</u>
 Net Assets, End of Year	 <u>\$ 18,412,689</u>	 <u>\$ 1,879,385</u>	 <u>\$ 20,292,074</u>

CITY MISSION OF SCHENECTADY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, Revenue and Reclassifications			
Grants and Contributions of Cash and Other Financial Assets	\$ 4,266,783	\$ 1,853,126	\$ 6,119,909
Contributions of Nonfinancial Assets	223,422	-	223,422
Special Events, Net	115,613	-	115,613
Program Sales	787,656	-	787,656
Program Fees	109,975	-	109,975
Program Service Contracts	171,048	-	171,048
Investment Returns, Net	(294,945)	(208)	(295,153)
Miscellaneous Revenue	5,886	-	5,886
Loss on Disposal of Assets	(10,219)	-	(10,219)
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	<u>1,576,429</u>	<u>(1,576,429)</u>	<u>-</u>
 Total Support, Revenue and Reclassifications	 <u>6,951,648</u>	 <u>276,489</u>	 <u>7,228,137</u>
 Expenses			
Program Services			
Community Outreach	348,700	-	348,700
Educational and Career	189,277	-	189,277
Nutritional Services	935,278	-	935,278
Empower Health	555,569	-	555,569
Residential Services	2,043,501	-	2,043,501
Social Enterprise	561,617	-	561,617
Community Development Housing	213,569	-	213,569
Other Program Related	<u>497,947</u>	<u>-</u>	<u>497,947</u>
Total Program Services	5,345,458	-	5,345,458
 General and Administrative Development	 608,377 <u>601,318</u>	 - <u>-</u>	 608,377 <u>601,318</u>
Total Expenses	<u>6,555,153</u>	<u>-</u>	<u>6,555,153</u>
 Change in Net Assets	 396,495	 276,489	 672,984
 Net Assets, Beginning of Year	 <u>17,296,195</u>	 <u>1,387,135</u>	 <u>18,683,330</u>
 Net Assets, End of Year	 <u>\$ 17,692,690</u>	 <u>\$ 1,663,624</u>	 <u>\$ 19,356,314</u>

CITY MISSION OF SCHENECTADY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 935,760	\$ 672,984
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Dividends and Interest Reinvested	(108,752)	(105,259)
Investment Donations	(89,835)	(53,237)
Realized (Gain) Loss on Investments	(6,736)	24,053
Unrealized (Gain) Loss on Investments	(127,015)	366,110
Valuation of Donor Advised Funds	-	64,806
Loss on Disposal of Assets	14,721	10,219
Depreciation	528,300	434,128
Bad Debt Expense	2,726	1,642
 Changes in Operating Assets and Liabilities (Increase) Decrease in:		
Accounts and Legacies Receivable	(99,607)	188,348
Inventory	(3,000)	(3,000)
Prepaid Expenses	1,366	(23,896)
Increase (Decrease) in:		
Accounts Payable	3,431	(260,041)
Accrued Payroll and Other Accrued Expenses	14,270	(2,181)
Compensated Absences	1,110	22,104
Deferred Revenue	<u>6,856</u>	<u>(234)</u>
 Net Cash Flow Provided By Operating Activities	<u>1,073,595</u>	<u>1,336,546</u>
 Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(800,631)	(965,211)
Proceeds from Investment Sales and Maturities	1,512,800	1,722,241
Purchase of Investments	<u>(3,180,915)</u>	<u>(1,652,299)</u>
 Net Cash Flow Used In Investing Activities	<u>(2,468,746)</u>	<u>(895,269)</u>
 Cash Flows from Financing Activities		
Payments on Long-Term Debt	<u>(21,864)</u>	<u>(1,682)</u>
 Change in Cash and Restricted Cash	(1,417,015)	439,595
 Cash and Restricted Cash, Beginning of Year	<u>7,063,675</u>	<u>6,624,080</u>
 Cash and Restricted Cash, End of Year	<u>\$ 5,646,660</u>	<u>\$ 7,063,675</u>
 Supplemental Disclosure of Cash Flow Information:		
Fixed Assets Acquired with Debt Proceeds	<u>\$ -</u>	<u>\$ 60,546</u>

CITY MISSION OF SCHENECTADY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Community Outreach	Educational and Career	Nutritional Services	Empower Health	Residential Services	Social Enterprise	Community Development Housing	Other Program Related	Total Program	General and Administrative	Development	Total All Services
Salaries and Benefits	\$ 78,476	\$ 173,731	\$ 381,873	\$ 367,138	\$ 1,855,709	\$ 539,380	\$ 58,849	\$ 382,158	\$ 3,837,314	\$ 497,843	\$ 216,792	\$ 4,551,949
Benevolence and Assistance	209,277	19,478	1,195	1,937	45,195	-	3,283	97	280,462	1,000	369	281,831
Services Purchased	21,500	-	-	194,650	17,810	-	1,180	-	235,140	11,450	155,823	402,413
Advertising and Fundraising	-	-	-	-	-	-	-	272	272	35	161,123	161,430
Office	1,017	2,524	576	6,063	6,630	10,280	147	1,506	28,743	47,409	36,753	112,905
Information Technology	2,092	5,592	6,118	6,331	26,182	6,439	422	7,630	60,806	11,160	28,984	100,950
Occupancy	3,185	14,424	103,789	6,415	133,925	34,140	64,240	72,005	432,123	24,022	1,046	457,191
Travel	9,042	4,187	-	66	406	53,936	-	12,538	80,175	1,283	1	81,459
Meetings, Trainings and Conferences	361	289	41	947	3,176	283	-	511	5,608	5,414	2,848	13,870
Insurance	1,060	679	3,020	1,246	8,510	5,781	191	6,750	27,237	9,512	793	37,542
Food	7,543	-	396,397	-	5,917	-	-	-	409,857	-	-	409,857
Supplies	11,595	7,367	23,302	4,554	83,693	15,595	1,826	4,521	152,453	7,435	-	159,888
Small Equipment	16	65	11,283	335	8,739	4,918	1,345	3,319	30,020	2,408	1,347	33,775
Bad Debt Expense	-	-	-	-	-	360	2,366	-	2,726	-	-	2,726
Depreciation	9,078	23,828	70,402	28,691	179,200	28,643	96,128	68,529	504,499	22,877	924	528,300
	<u>\$ 354,242</u>	<u>\$ 252,164</u>	<u>\$ 997,996</u>	<u>\$ 618,373</u>	<u>\$ 2,375,092</u>	<u>\$ 699,755</u>	<u>\$ 229,977</u>	<u>\$ 559,836</u>	<u>\$ 6,087,435</u>	<u>\$ 641,848</u>	<u>\$ 606,803</u>	<u>\$ 7,336,086</u>

CITY MISSION OF SCHENECTADY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Community Outreach</u>	<u>Educational and Career</u>	<u>Nutritional Services</u>	<u>Empower Health</u>	<u>Residential Services</u>	<u>Social Enterprise</u>	<u>Community Development Housing</u>	<u>Other Program Related</u>	<u>Total Program</u>	<u>General and Administrative</u>	<u>Development</u>	<u>Total All Services</u>
Salaries and Benefits	\$ 106,287	\$ 113,604	\$ 366,319	\$ 365,510	\$ 1,593,089	\$ 429,445	\$ 64,844	\$ 372,700	\$ 3,411,798	\$ 462,340	\$ 232,142	\$ 4,106,280
Benevolence and Assistance	176,519	22,475	-	1,822	48,690	-	4,066	-	253,572	5,236	327	259,135
Services Purchased	19,500	315	-	143,130	13,420	-	-	-	176,365	13,050	159,590	349,005
Advertising and Fundraising	-	2,038	-	-	-	-	-	289	2,327	2,761	132,271	137,359
Office	585	631	1,959	11,103	9,196	9,296	-	696	33,466	47,866	38,351	119,683
Information Technology	3,938	4,122	4,142	5,789	23,596	7,646	848	10,975	61,056	11,872	33,362	106,290
Occupancy	1,394	11,647	85,482	7,686	105,795	28,237	59,024	48,165	347,430	20,748	288	368,466
Travel	7,682	-	-	-	86	39,331	-	14,462	61,561	1,327	5	62,893
Meetings, Trainings and Conferences	665	937	560	237	5,940	439	625	557	9,960	5,480	2,745	18,185
Insurance	1,055	470	3,715	1,605	8,402	5,658	212	5,165	26,282	5,998	568	32,848
Food	9,403	-	377,283	-	5,281	-	-	-	391,967	-	-	391,967
Supplies	12,730	7,002	24,791	2,766	56,123	10,765	1,276	2,170	117,623	7,734	-	125,357
Small Equipment	176	-	10,118	1,507	15,947	1,773	1,750	7,984	39,255	1,800	860	41,915
Bad Debt Expense	-	-	-	-	-	-	550	-	550	1,092	-	1,642
Depreciation	8,766	26,036	60,909	14,414	157,936	29,027	80,374	34,784	412,246	21,073	809	434,128
	<u>\$ 348,700</u>	<u>\$ 189,277</u>	<u>\$ 935,278</u>	<u>\$ 555,569</u>	<u>\$ 2,043,501</u>	<u>\$ 561,617</u>	<u>\$ 213,569</u>	<u>\$ 497,947</u>	<u>\$ 5,345,458</u>	<u>\$ 608,377</u>	<u>\$ 601,318</u>	<u>\$ 6,555,153</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The City Mission of Schenectady (the “Mission”) was incorporated in 1906 as a nonprofit organization under the Religious Corporation Law of the State of New York. The Mission is dedicated to sharing the Gospel of Jesus Christ in word and deed. The ministries of the City Mission of Schenectady seek to comprehensively meet the needs of the poor in a manner that dignifies and strengthens the individual, the family, and the community.

Method of Accounting

The financial statements of the Mission have been prepared on the accrual basis of accounting. The Mission adopted the accounting treatment prescribed by the FASB’s Accounting Standards Codification (ASC).

Cash

For the purpose of the statements of cash flows, cash consists of all checking and money market accounts.

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	<u>2023</u>	<u>2022</u>
Cash without donor restrictions	\$ 4,746,315	\$ 6,378,918
Cash with donor restrictions	<u>900,345</u>	<u>684,757</u>
Total cash shown in the statement of cash flows	<u>\$ 5,646,660</u>	<u>\$ 7,063,675</u>

Receivables

The Mission utilizes the allowance method to determine the allowance for doubtful accounts. The allowance for doubtful accounts was \$2,442 as of September 30, 2023 and 2022.

Conditional and Unconditional Promises to Give

The Mission did not have any conditional or unconditional promises to give at September 30, 2023 and 2022.

Inventory

Inventory reflected in the statement of financial position represents office and store supplies purchased by the Mission and is valued at the lower of cost or market. The Mission’s supplies and inventory valuation also includes an estimate of value for the clothing, furniture and materials donated to the Mission for resale.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Marketable equity and debt securities are stated at fair value.

Property, Plant, Equipment and Depreciation

Property, plant and equipment are reflected at cost, with depreciation provided on a straight-line basis over estimated useful lives of three to forty years. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. The Mission's capitalization policy uses a threshold of \$5,000 for individual items or aggregate purchases considered to be capital assets exceeding \$5,000.

Compensated Absences

Full and part-time employees accrue vacation leave for use after completing six months of employment. Vacation time is earned and accrued each pay period. Accrued leave was \$158,926 and \$157,816 at September 30, 2023 and 2022, respectively.

Net Assets

Net assets of the Mission, and changes therein, are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of the Mission and/or the passage of time.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are reported at fair value at the date the contribution is received. Contributions are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor/grantor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor imposed restrictions that are met in the same reporting period are shown as revenue without donor restrictions. Conditional contributions are not recognized until the conditions on which they depend have been substantially met.

Revenue on cost reimbursement grants and contracts is recognized to the extent actual expenditures have been incurred in compliance with the specific grant requirements. Other grant and contract revenue is recognized in the period earned if on a fee for services basis. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition (Continued)

Program service fees received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized in accordance with a five-step model as follows:

- Identify the contract with the customer
- Identify the performance obligation(s) in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation(s) in the contract
- Recognize revenue when earned or as performance obligation(s) are satisfied

Contract Liabilities

Contract liabilities represent future community development housing program fees, program contracts, and special event revenue collected in advance of services provided or the event taken place. Total contract liabilities at September 30, 2023 and 2022 were \$10,506 and \$3,650, respectively.

Donated Services, Goods and Facilities

A number of volunteers have donated time to the Mission's program services and fund-raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services did not meet the reporting requirement of the ASC. The Mission estimated that it received approximately 17,198 and 12,340 volunteer hours in the years ended September 30, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated on a reasonable basis that is consistently applied among the programs benefitted. Salaries and benefits are allocated on the basis of estimates of time and effort; this methodology is also used for office expenditures that benefit multiple programs and may include professional fees, telephone, printing, maintenance costs, insurance, dues and publications and depreciation of equipment. Other costs such as occupancy, building maintenance and building depreciation are allocated on a square footage basis.

Tax-Exempt Status

The Mission is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been designated a publicly supported organization which is not a private foundation under Section 509(a) of the Code. Accordingly, no provision for income taxes has been made in these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in accordance 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. Actual results could differ from these estimates.

Fair Value Measurements

The ASC requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the Mission would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving unobservable inputs (Level 3 measurements).

Accounting for Uncertainty in Income Taxes

The Mission follows the ASC *Accounting for Income Taxes* and its current accounting policy for evaluating uncertain tax positions is in accordance with generally accepted accounting principles. The Mission has not recognized any benefits or liabilities from uncertain tax positions in 2023 and believes it has no uncertain tax positions for which are reasonably possible that the total amounts of unrecognized tax benefits or liabilities will significantly increase or decrease net assets within 12 months of the balance sheet date of September 30, 2023. Form 990 tax returns filed by the Mission are subject to examination by the IRS up to three years after the filing date of each return. Form 990 tax filings for the Mission are no longer subject to examination for tax years 2019 and prior.

Subsequent Events

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through December 19, 2023, the date the financial statements were available to be issued. No such events or transactions were identified.

2. CONCENTRATION OF CREDIT RISK

The Mission has concentrated its credit risk for cash by maintaining deposits in banks located within the same geographic region and the same bank. The maximum loss that would have resulted from this risk totaled \$3,668,431 and \$5,120,487 at September 30, 2023 and 2022, respectively. This amount represents the excess of deposits reported by the banks over the amounts that would have been covered by Federal insurance. The Mission does not have any collateral available to them from the bank. The Mission minimizes this risk by maintaining deposit relationships with quality financial institutions. The Mission continues to open accounts with new financial institutions to provide optimal risk minimalization and is exploring options to further mitigate this risk.

3. ACCOUNTS AND LEGACIES RECEIVABLE

Accounts and legacies receivable consist of the following for the years September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<i>Accounts Receivable</i>		
Bank and Vogue, Ltd.	\$ 15,420	\$ -
Employee Loans	2,003	7,207
Exodus Loans	3,418	6,834
Micro Loan Program	1,600	-
General Electric	4,470	674
Healthy Alliance IPA, LLC	-	23,558
Miscellaneous	9,421	6,452
Mother Cabrini	120,000	-
Schenectady Foundation	39,000	-
Schenectady County Metroplex	17,179	3,500
Transitional Housing	2,404	6,173
<i>Legacies Receivable</i>		
Estate of Lydia Boynton	433	433
Estate of Ada Friedman	-	17,680
Estate of Jean Friss	5,000	5,000
Estate of Norma Gordon	-	65,686
Estate of Katherine Kruger	100	100
Estate of Janice K. Rourke	19,730	-
Less: Allowance for Doubtful Accounts	<u>(2,442)</u>	<u>(2,442)</u>
	<u>\$ 237,736</u>	<u>\$ 140,855</u>

CITY MISSION OF SCHENECTADY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023 AND 2022

4. INVESTMENTS

The Mission’s investments at September 30, 2023 and 2022 are valued at fair value. The Mission intends to hold some of these funds short-term; accordingly, these amounts have been reflected as current in these financial statements. The mission also intends to hold some of these funds long-term for restricted purposes as indicated in Note 8; accordingly, these amounts have been reflected as noncurrent in these financial statements.

Investments are summarized as follows:

	<u>2023</u>		
	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation (Depreciation)</u>
Level 1 Measurement:			
Money Market	\$ 691,032	\$ 691,032	\$ -
Mutual Funds - Equity Based	974,018	944,608	(29,410)
Fixed Income	1,486,737	1,457,613	(29,124)
Exchange Traded Products	204,581	201,331	(3,250)
Equities	<u>513,507</u>	<u>745,096</u>	<u>231,589</u>
	3,869,875	4,039,680	169,805
Level 3 Measurement:			
Donor Advised Fund	<u>847,479</u>	<u>847,479</u>	<u>-</u>
	<u>\$ 4,717,354</u>	<u>\$ 4,887,159</u>	<u>\$ 169,805</u>
	<u>2022</u>		
	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation (Depreciation)</u>
Level 1 Measurement:			
Money Market	\$ 97,270	\$ 97,270	\$ -
Mutual Funds - Equity Based	761,097	719,201	(41,896)
Fixed Income	325,100	291,323	(33,777)
Exchange Traded Products	316,485	295,339	(21,146)
Equities	<u>496,485</u>	<u>636,094</u>	<u>139,609</u>
	1,996,437	2,039,227	42,790
Level 3 Measurement:			
Donor Advised Fund	<u>847,479</u>	<u>847,479</u>	<u>-</u>
	<u>\$ 2,843,916</u>	<u>\$ 2,886,706</u>	<u>\$ 42,790</u>

4. INVESTMENTS (CONTINUED)

Donor Advised Fund

In December 2017, the Mission entered into a donor advised fund agreement with a related party in which the Mission was provided a 99% partnership interest in a charitable LLC. As of September 30, 2023 and 2022, this interest was appraised at \$847,479. The Mission owns, maintains and operates this fund and it is therefore considered unrestricted in these financial statements.

Investment Returns, Net

Investment returns, net for the years ended September 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Interest on Cash	\$ 38,861	\$ 8,026
Interest, Dividends and Capital Gain		
Distributions on Investments	108,752	105,259
Realized Gain (Loss) on Investments	6,736	(24,053)
Unrealized Holding Gain (Loss) on Investments	127,015	(366,110)
Investment Fees	(17,994)	(18,275)
	<u>\$ 263,370</u>	<u>\$ (295,153)</u>

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is comprised of the following at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 412,436	\$ 412,436
Buildings and Improvements	12,578,773	12,089,953
Furniture, Fixtures, and Equipment	1,640,371	1,352,008
Leasehold Improvements	4,697	4,697
Construction in Progress	11,492	115,704
Total	14,647,769	13,974,798
Less: Accumulated Depreciation	(4,864,036)	(4,448,675)
	<u>\$ 9,783,733</u>	<u>\$ 9,526,123</u>

6. LONG-TERM DEBT

In September 2022, the Mission entered into an interest free auto loan, which requires 36 monthly payments of \$1,682 and is collateralized by a vehicle. Future principal payments by fiscal year are as follows:

2024		\$	20,182
2025			<u>16,818</u>
		\$	<u><u>37,000</u></u>

7. NET ASSETS DESIGNATED BY THE BOARD FOR FUTURE MINISTRIES

The Board has designated funds for the following future ministries as of September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Board Uncommitted Reserve	\$ 3,708,515	\$ 2,318,319
Board Strategic Reserve	866,290	776,236
Board Operating Reserve	421,000	421,000
Board Uncommitted Receivable	25,164	88,799
Board Committed Reserve		
Pension	10,000	10,000
Bonuses	-	165,000
Development Director	-	4,868
Board Designated Lally Estate Earnings	<u>200,980</u>	<u>115,414</u>
	<u><u>\$ 5,231,949</u></u>	<u><u>\$ 3,899,636</u></u>

CITY MISSION OF SCHENECTADY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023 AND 2022

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent amounts received and restricted by donors for the following specific purposes. When the restriction has been met, the amounts will be released from net assets with donor restrictions and reclassified to net assets without donor restrictions.

A summary of net assets with donor restrictions as of September 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Purpose Restricted:		
<i>Food</i>		
Freight Farm	\$ -	\$ 3,089
<i>Mens and ARK Programs</i>		
Ministry to Young Men Under 21	1,376	1,376
<i>Family Life Center Programs</i>		
Fletcher Estate	6,443	7,037
Easter Dresses	797	798
Art Mural	1,262	1,262
<i>Outreach Programs</i>		
Back to School Boost	-	20
Toys	100	9,968
Operation Warm and Safe	-	2,020
Neighbor to Neighbor	27,099	38,759
Weekend Backpack	160	540
Step Up Moment Fitness	500	500
<i>Other Programs</i>		
Workforce Development	414,282	291,919
The Cornerstone Fund	23,628	31,678
Cornerstone Loans	7,684	4,504
Empower Health	72,625	-
Exodus Loan Fund	4,823	2,368
Executive Director's Discretionary Fund	5,292	5,292
Mother Cabrini	212,500	123,038
Academic Scholarships	114,249	114,142
<i>Restricted for Assets and Projects</i>		
Capital Expansion and Equipment	<u>30,832</u>	<u>69,753</u>
Total Purpose Restricted	<u>923,652</u>	<u>708,063</u>
Perpetual in Nature:		
Restricted by Lally Estate	953,286	953,287
Restricted by Anonymous	<u>2,447</u>	<u>2,274</u>
Total Perpetual in Nature	<u>955,733</u>	<u>955,561</u>
Total Net Assets with Donor Restrictions	<u>\$ 1,879,385</u>	<u>\$ 1,663,624</u>

CITY MISSION OF SCHENECTADY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023 AND 2022

9. NET ASSETS RELEASED FROM RESTRICTIONS

	<u>2023</u>	<u>2022</u>
Purpose Restrictions Accomplished for the Following:		
<i>Food</i>		
Freight Farm	\$ 5,742	\$ 32,430
Food Operations Grant	2,820	-
Agriculture Grant	19,288	-
Other	50	-
<i>Mens and ARK Programs</i>		
COVID-19 Response Fund	-	11,834
Ministry to Young Men Under 21	-	11,527
Code Blue	-	322
<i>Family Life Center Programs</i>		
Fletcher Estate	595	-
Other	2,076	7,561
<i>Outreach Programs</i>		
Back to School Boost	20	2,698
Toys	17,232	18,604
Summer Youth Adventure	19,598	6,455
Operation Warm and Safe	2,020	1,980
Neighbor to Neighbor	19,952	4,174
Weekend Backpack	9,021	19,650
Schenectady Basketball	-	6,379
<i>Other Programs</i>		
Share Our Strength	-	900
Empower Health	525	1,600
Cornerstone Loans	2,020	499
Workforce Development	74,905	108,311
The Cornerstone Fund	8,050	3,963
Exodus Loan Fund	1,180	5,188
Mother Cabrini	310,538	1,127,642
Academic Scholarships	8,959	46
Capital Expansion and Equipment	<u>100,318</u>	<u>204,666</u>
 Total Purpose Restrictions Accomplished	 <u>\$ 604,909</u>	 <u>\$ 1,576,429</u>

10. CONTRIBUTED NONFINANCIAL ASSETS

For the years ended September 30, 2023 and 2022 contributed nonfinancial assets recognized within the statement of activities included:

	<u>2023</u>	<u>2022</u>
Family Assistance	\$ 140,063	\$ 112,513
Nutrition	25,834	30,616
Clothing Rooms	51,657	50,293
Fitness Center	7,500	7,450
Information Technology	1,569	22,550
Services	6,755	-
Miscellaneous	9,069	-
	<u>\$ 233,378</u>	<u>\$ 223,422</u>

The Mission recognized contributed nonfinancial assets within revenue, including contributed household goods, food, clothing, software, special event support, equipment and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed food, clothing and household goods were utilized in the nutrition, community outreach, residential services, and transitional living programs. Software and equipment donations are utilized throughout the Mission. In valuing these items, the Mission estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. Fitness Center donations included rubber flooring used in our Empower Health Department. Special event donations were provided to support our Development Department’s golf event. Contributed nonfinancial assets of \$13,474 and \$14,745 were reported in special event revenue and expense for the golf event as of September 30, 2023 and 2022, respectively. See Note 12 for additional information.

11. PENSION PLAN

The Board of Directors of the Mission has adopted a simplified employee pension plan for all eligible participants who meet certain requirements. Contributions to the plan are determined annually by the Board of Directors at their discretion. During the years ended September 30, 2023 and 2022, contributions made to eligible employees amounted to 7.0% of qualifying wages, or \$173,390 and \$153,961, respectively, and is included in salaries and benefits expense on the statement of functional expenses.

12. SPECIAL EVENTS

Special events consisted of the following for the years ended September 30:

	<u>2023</u>			<u>2022</u>		
	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>
Annual Banquet	\$ 132,146	\$ 49,159	\$ 82,987	\$ 123,747	\$ 45,047	\$ 78,700
Golf With A Mission	49,930	43,528	6,402	92,883	55,970	36,913
Dueling Pianos	<u>17,914</u>	<u>11,986</u>	<u>5,928</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$199,990</u>	<u>\$104,673</u>	<u>\$ 95,317</u>	<u>\$216,630</u>	<u>\$101,017</u>	<u>\$115,613</u>

Annual Banquet: A yearly gathering of friends of the Mission to celebrate stories of hope and transformation. While this event is funded by Board of Trustee members, there is a love offering taken at each meal. This event takes place over the course of three days with each daily event typically at full capacity.

Golf With A Mission: An annual golf tournament, in partnership with Northway 8 Golf Center, to raise funds to support the life-changing work of City Mission as men, women, and children experience transformation each day. Funds raised come from golfer registrations and sponsorship opportunities.

Dueling Pianos: This event is an evening gathering of current and new friends of the Mission to raise funds that will support the year-round programming for the men, women and children served. Funds raised from the event come through admissions sales and sponsorships.

13. COMMITMENTS AND CONTINGENCIES

During 2023, the Mission had several outstanding bequests and, due to the involved administration process, final distribution and closeout did not occur by September 30, 2023. The amounts in question are unknown and uncertain and will be recorded in the statement of activities when an amount is provided in writing by legal counsel of the estate.

14. RELATED PARTY TRANSACTIONS

The Mission's executive director serves on the Board of Directors of an investment company that manages investment funds of the Mission and the executive director is paid a fee for these services. Additionally, as outlined in the Mission's Policy Guidelines, any party serving as a board member or staff member of a current or prospective external agent must recuse themselves from any investment discussion or deliberation in accordance with the Mission's conflict of interest policy.

15. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Mission has \$8,044,691 of financial assets available within one year of September 30, 2023 to meet cash needs for general expenditures consisting of cash of \$4,746,315, accounts and legacies receivable of \$237,736, and short-term investments of \$3,060,640, of which \$5,231,949 has been board designated. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The accounts and legacies receivable are subject to implied time restrictions but are expected to be collected within the subsequent year. The Mission has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$1,700,000. The Mission has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Mission invests cash in excess of daily requirements and management and Board reserves in various short-term investments, as more fully described in Note 4.