



*CITY MISSION OF SCHENECTADY*

*FINANCIAL STATEMENTS*

*SEPTEMBER 30, 2025 AND 2024*

**CITY MISSION OF SCHENECTADY**

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*SEPTEMBER 30, 2025 AND 2024*

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**CUSACK & COMPANY**  
**Certified Public Accountants LLC**

7 AIRPORT PARK BOULEVARD  
LATHAM, NEW YORK 12110  
(518) 786-3550  
FAX (518) 786-1538  
E-MAIL ADDRESS: CPAS@CUSACK.CPA  
WWW.CUSACK.CPA

MEMBERS OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**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, 2025 and 2024, and the related statements of activities, cash flows and functional expenses 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, 2025 and 2024, 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, CPA'S LLC**

Latham, New York  
January 23, 2026

**CITY MISSION OF SCHENECTADY**  
*STATEMENTS OF FINANCIAL POSITION*  
 SEPTEMBER 30, 2025 AND 2024

	<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current Assets			
Cash, Operating and Designated	\$	7,548,716	\$ 6,545,751
Accounts and Legacies Receivable, Net		772,483	426,163
Investments		3,202,405	2,395,979
Inventory		66,000	63,000
Prepaid Expenses		<u>77,292</u>	<u>74,465</u>
Total Current Assets		<u>11,666,896</u>	<u>9,505,358</u>
Property, Plant and Equipment, Net		<u>9,169,715</u>	<u>9,477,152</u>
Other Assets			
Cash with Donor Restrictions		1,705,809	613,267
Investments with Donor Restrictions		1,074,255	979,692
Donor-Advised Fund		925,341	847,479
Security Deposit		750	750
Right-of-Use Asset, Operating Leases		<u>650,041</u>	<u>807,879</u>
Total Other Assets		<u>4,356,196</u>	<u>3,249,067</u>
Total Assets	\$	<u>25,192,807</u>	\$ <u>22,231,577</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b> 			
Current Liabilities			
Current Portion of Long-Term Debt	\$	-	\$ 18,500
Current Portion of Lease Liability		171,114	157,838
Accounts Payable		87,669	111,091
Accrued Payroll and Other Accrued Expenses		124,083	99,579
Compensated Absences		185,477	172,934
Deferred Revenue		14,971	6,256
Refundable Advances		<u>120,838</u>	<u>-</u>
Total Current Liabilities		<u>704,152</u>	<u>566,198</u>
Noncurrent Liabilities			
Lease Liability, Net of Current Portion		<u>478,927</u>	<u>650,041</u>
Total Liabilities		<u>1,183,079</u>	<u>1,216,239</u>
Net Assets			
Without Donor Restrictions:			
Designated by the Board for Future Ministries		8,440,115	6,864,019
Donor Advised Fund		925,341	847,479
Undesignated		<u>11,864,208</u>	<u>11,710,881</u>
Total Net Assets without Donor Restrictions		<u>21,229,664</u>	<u>19,422,379</u>
With Donor Restrictions:			
Purpose Restricted		1,728,516	636,574
Perpetual in Nature		<u>1,051,548</u>	<u>956,385</u>
Total Net Assets with Donor Restrictions		<u>2,780,064</u>	<u>1,592,959</u>
Total Net Assets		<u>24,009,728</u>	<u>21,015,338</u>
Total Liabilities and Net Assets	\$	<u>25,192,807</u>	\$ <u>22,231,577</u>

**CITY MISSION OF SCHENECTADY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Support, Revenue and Reclassifications			
Grants and Contributions of Cash and Other Financial Assets	\$ 6,843,043	\$ 1,885,156	\$ 8,728,199
Contributions of Nonfinancial Assets	255,915	-	255,915
Special Events, Net	140,304	-	140,304
Program Sales	847,942	-	847,942
Program Fees	228,272	-	228,272
Program Service Contracts	108,426	-	108,426
Investment Returns, Net	432,428	163	432,591
Rental Income	74,606	-	74,606
Miscellaneous Revenue	7,312	-	7,312
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	<u>698,214</u>	<u>(698,214)</u>	<u>-</u>
 Total Support, Revenue and Reclassifications	 <u>9,636,462</u>	 <u>1,187,105</u>	 <u>10,823,567</u>
 Expenses			
Program Services:			
Community Outreach	372,550	-	372,550
Educational and Career	432,758	-	432,758
Nutritional Services	540,908	-	540,908
Health and Wellness	938,165	-	938,165
Residential Services	2,382,126	-	2,382,126
Social Enterprise	664,331	-	664,331
Community Development Housing	658,994	-	658,994
Other Program Related	<u>457,225</u>	<u>-</u>	<u>457,225</u>
 Total Program Services	 6,447,057	 -	 6,447,057
 General and Administrative Development	 775,187 <u>606,933</u>	 - <u>-</u>	 775,187 <u>606,933</u>
 Total Expenses	 <u>7,829,177</u>	 <u>-</u>	 <u>7,829,177</u>
 Change in Net Assets	 1,807,285	 1,187,105	 2,994,390
 Net Assets, Beginning of Year	 <u>19,422,379</u>	 <u>1,592,959</u>	 <u>21,015,338</u>
 Net Assets, End of Year	 <u>\$ 21,229,664</u>	 <u>\$ 2,780,064</u>	 <u>\$ 24,009,728</u>

**CITY MISSION OF SCHENECTADY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Support, Revenue and Reclassifications			
Grants and Contributions of Cash and Other Financial Assets	\$ 5,969,687	\$ 463,618	\$ 6,433,305
Contributions of Nonfinancial Assets	279,201	-	279,201
Special Events, Net	107,476	-	107,476
Program Sales	871,212	-	871,212
Program Fees	171,510	-	171,510
Program Service Contracts	121,369	-	121,369
Investment Returns, Net	654,687	652	655,339
Miscellaneous Revenue	13,214	-	13,214
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	<u>750,696</u>	<u>(750,696)</u>	<u>-</u>
 Total Support, Revenue and Reclassifications	 <u>8,939,052</u>	 <u>(286,426)</u>	 <u>8,652,626</u>
 Expenses			
Program Services:			
Community Outreach	395,304	-	395,304
Educational and Career	400,518	-	400,518
Nutritional Services	938,836	-	938,836
Health and Wellness	682,194	-	682,194
Residential Services	2,492,491	-	2,492,491
Social Enterprise	692,091	-	692,091
Community Development Housing	488,811	-	488,811
Other Program Related	<u>548,246</u>	<u>-</u>	<u>548,246</u>
 Total Program Services	 6,638,491	 -	 6,638,491
 General and Administrative Development	 633,383 <u>657,488</u>	 - <u>-</u>	 633,383 <u>657,488</u>
 Total Expenses	 <u>7,929,362</u>	 <u>-</u>	 <u>7,929,362</u>
 Change in Net Assets	 1,009,690	 (286,426)	 723,264
 Net Assets, Beginning of Year	 <u>18,412,689</u>	 <u>1,879,385</u>	 <u>20,292,074</u>
 Net Assets, End of Year	 <u>\$ 19,422,379</u>	 <u>\$ 1,592,959</u>	 <u>\$ 21,015,338</u>

**CITY MISSION OF SCHENECTADY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	<u><b>2025</b></u>	<u><b>2024</b></u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 2,994,390	\$ 723,264
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Dividends and Interest Reinvested	(75,196)	(115,883)
Investment Donations	(369,358)	(36,065)
Realized (Gain) Loss on Investments	(1,466)	(99,585)
Unrealized (Gain) Loss on Investments	(91,081)	(298,289)
Valuation of Donor Advised Funds	(77,862)	-
Depreciation	596,028	570,577
Bad Debt Expense	1,900	6,225
Changes in Operating Assets and Liabilities		
(Increase) Decrease in:		
Accounts and Legacies Receivable	(348,220)	(194,652)
Inventory	(3,000)	(3,000)
Prepaid Expenses	(2,827)	29,876
Security Deposit	-	(750)
Increase (Decrease) in:		
Accounts Payable	(23,422)	(36,264)
Accrued Payroll and Other Accrued Expenses	24,504	25,811
Compensated Absences	12,543	14,008
Deferred Revenue	8,715	(4,250)
Refundable Advances	<u>120,838</u>	<u>-</u>
Net Cash Flow Provided By Operating Activities	<u>2,766,486</u>	<u>581,023</u>
Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(288,591)	(263,996)
Proceeds from Investment Sales and Maturities	860,761	1,373,066
Purchase of Investments	<u>(1,224,649)</u>	<u>(159,235)</u>
Net Cash Flow Provided By (Used In) Investing Activities	<u>(652,479)</u>	<u>949,835</u>
Cash Flows from Financing Activities		
Payments on Long-Term Debt	<u>(18,500)</u>	<u>(18,500)</u>
Change in Cash and Restricted Cash	2,095,507	1,512,358
Cash and Restricted Cash, Beginning of Year	<u>7,159,018</u>	<u>5,646,660</u>
Cash and Restricted Cash, End of Year	<u>\$ 9,254,525</u>	<u>\$ 7,159,018</u>
Supplemental Disclosure of Cash Flow Information:		
Noncash Investing and Financing Activities		
Change in Right-of-Use Asset, Operating Leases	<u>\$ (157,838)</u>	<u>\$ 807,879</u>
Lease Liability Accretion	<u>\$ (157,838)</u>	<u>\$ 807,879</u>

**CITY MISSION OF SCHENECTADY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Community Outreach</b>	<b>Educational and Career</b>	<b>Nutritional Services</b>	<b>Health and Wellness</b>	<b>Residential Services</b>	<b>Social Enterprise</b>	<b>Community Development Housing</b>	<b>Other Program Related</b>	<b>Total Program</b>	<b>General and Administrative</b>	<b>Development</b>	<b>Total All Services</b>
Salaries and Benefits	\$ 97,164	\$ 322,851	\$ 356,057	\$ 499,459	\$ 1,776,840	\$ 505,949	\$ 155,268	\$ 320,341	\$ 4,033,929	\$ 633,273	\$ 256,858	\$ 4,924,060
Benevolence and Assistance	184,751	7,327	6,006	-	106,298	300	736	119	305,537	-	-	305,537
Services Purchased	30,260	550	88,223	1,000	7,800	-	1,000	(3,000)	125,833	16,185	172,130	314,148
Advertising and Fundraising	-	-	-	-	-	-	-	590	590	-	117,455	118,045
Office	374	6,404	1,841	4,392	4,914	12,017	1,814	204	31,960	52,485	35,888	120,333
Information Technology	5,538	9,718	7,368	3,269	31,302	9,017	11,048	7,776	85,036	14,629	9,206	108,871
Occupancy	9,354	51,411	10,629	95,546	130,630	34,184	368,402	28,179	728,335	33,354	8,470	770,159
Travel	10,441	2,173	-	3	1,147	38,287	-	3,467	55,518	1,098	753	57,369
Meetings, Trainings and Conferences	313	242	1,905	48	9,082	1,660	48	1,295	14,593	2,337	3,242	20,172
Insurance	1,249	6,189	1,396	5,165	15,484	6,278	581	6,592	42,934	7,119	1,368	51,421
Food	-	-	-	206,722	7,544	-	-	-	214,266	-	-	214,266
Supplies	25,764	6,499	1,676	32,546	75,080	16,987	7,583	4,214	170,349	7,015	6	177,370
Small Equipment	-	1,168	31	14,031	17,614	8,518	3,894	1,347	46,603	2,123	772	49,498
Bad Debt Expense	1,900	-	-	-	-	-	-	-	1,900	-	-	1,900
Depreciation	5,442	18,226	65,776	75,984	198,391	31,134	108,620	86,101	589,674	5,569	785	596,028
	<u>\$ 372,550</u>	<u>\$ 432,758</u>	<u>\$ 540,908</u>	<u>\$ 938,165</u>	<u>\$ 2,382,126</u>	<u>\$ 664,331</u>	<u>\$ 658,994</u>	<u>\$ 457,225</u>	<u>\$ 6,447,057</u>	<u>\$ 775,187</u>	<u>\$ 606,933</u>	<u>\$ 7,829,177</u>

**CITY MISSION OF SCHENECTADY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>Community Outreach</b>	<b>Educational and Career</b>	<b>Nutritional Services</b>	<b>Health and Wellness</b>	<b>Residential Services</b>	<b>Social Enterprise</b>	<b>Community Development Housing</b>	<b>Other Program Related</b>	<b>Total Program</b>	<b>General and Administrative</b>	<b>Development</b>	<b>Total All Services</b>
Salaries and Benefits	\$ 84,581	\$ 292,681	\$ 417,421	\$ 396,786	\$ 1,959,116	\$ 540,875	\$ 86,341	\$ 360,746	\$ 4,138,547	\$ 477,849	\$ 239,391	\$ 4,855,787
Benevolence and Assistance	236,613	14,892	-	2,058	63,904	-	2,793	-	320,260	-	15,177	335,437
Services Purchased	27,420	-	-	227,898	9,350	-	570	-	265,238	12,396	173,341	450,975
Advertising and Fundraising	-	-	-	-	-	-	-	408	408	-	137,643	138,051
Office	1,314	10,581	768	1,453	3,372	9,615	2,905	489	30,497	50,241	48,720	129,458
Information Technology	2,473	9,719	2,840	4,280	25,807	6,985	9,224	9,762	71,090	13,829	29,854	114,773
Occupancy	3,728	19,581	104,179	12,697	140,794	35,187	279,708	65,099	660,973	33,250	6,090	700,313
Travel	10,186	2,441	25	-	591	39,525	-	8,097	60,865	1,383	5	62,253
Meetings, Trainings and Conferences	-	1,245	372	2,398	1,161	1,701	54	122	7,053	4,110	3,489	14,652
Insurance	1,074	2,674	3,805	1,061	10,822	5,413	45	5,956	30,850	6,392	872	38,114
Food	-	-	291,672	-	6,140	-	-	-	297,812	-	-	297,812
Supplies	17,438	5,315	26,123	2,554	72,359	20,087	1,903	3,729	149,508	9,134	67	158,709
Small Equipment	-	329	14,808	18	14,033	2,161	10,149	11,097	52,595	1,761	1,870	56,226
Bad Debt Expense	1,600	4,625	-	-	-	-	-	-	6,225	-	-	6,225
Depreciation	8,877	36,435	76,823	30,991	185,042	30,542	95,119	82,741	546,570	23,038	969	570,577
	<u>\$ 395,304</u>	<u>\$ 400,518</u>	<u>\$ 938,836</u>	<u>\$ 682,194</u>	<u>\$ 2,492,491</u>	<u>\$ 692,091</u>	<u>\$ 488,811</u>	<u>\$ 548,246</u>	<u>\$ 6,638,491</u>	<u>\$ 633,383</u>	<u>\$ 657,488</u>	<u>\$ 7,929,362</u>

**CITY MISSION OF SCHENECTADY**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

---

**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>2025</u>	<u>2024</u>
Cash without donor restrictions	\$ 7,548,716	\$ 6,545,751
Cash with donor restrictions	<u>1,705,809</u>	<u>613,267</u>
Total cash shown in the statement of cash flows	<u>\$ 9,254,525</u>	<u>\$ 7,159,018</u>

*Receivables*

The Mission utilizes the allowance method to determine the allowance for doubtful accounts. The allowance for doubtful accounts was \$2,442 and \$8,667 as of September 30, 2025 and 2024, respectively.

*Conditional and Unconditional Promises to Give*

The Mission did not have any conditional or unconditional promises to give at September 30, 2025 and 2024.

*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 \$185,477 and \$172,934 at September 30, 2025 and 2024, 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 transitional housing program fees collected in advance of services provided. Total contract liabilities at September 30, 2025 and 2024 were \$14,971 and \$6,256, 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 20,205 and 17,583 volunteer hours in the years ended September 30, 2025 and 2024, 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 2025 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, 2025. 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 2021 and prior.

*Subsequent Events*

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through January 23, 2026, 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 \$415,969 and \$1,156,622 at September 30, 2025 and 2024, 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.

**3. ACCOUNTS AND LEGACIES RECEIVABLE**

Accounts and legacies receivable consist of the following for the years September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<i>Accounts Receivable</i>		
Bank and Vogue, Ltd.	\$ 49,851	\$ 13,433
Regional Food Bank	2,265	-
Program Loans	5,146	13,366
MVP Health Care	25,000	-
General Electric	-	7,952
Leon Family Charitable Group, LLC	-	10,000
P.M. Recovery	8,381	-
Miscellaneous	12,675	15,849
Mother Cabrini	656,250	-
Proctors	3,063	-
Schenectady County Metroplex	4,500	3,500
Transitional Housing	1,261	5,238
<i>Legacies Receivable</i>		
Estate of Lydia Boynton	433	433
Estate of Betty Ewing	1,000	-
Estate of Rose Marie Stanjones	-	359,959
Estate of Jean Friss	5,000	5,000
Estate of Katherine Kruger	100	100
Less: Allowance for Doubtful Accounts	<u>(2,442)</u>	<u>(8,667)</u>
	<u>\$ 772,483</u>	<u>\$ 426,163</u>

Legacy receivables are recognized upon settlement of the probate process and are assumed to be collected within one year of the date of the settlement.

**4. INVESTMENTS**

The Mission's investments at September 30, 2025 and 2024 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.

**CITY MISSION OF SCHENECTADY**  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025 AND 2024

**4. INVESTMENTS (CONTINUED)**

Investments are summarized as follows:

	<u>2025</u>		<b>Unrealized Appreciation (Depreciation)</b>
	<u>Cost</u>	<u>Fair Value</u>	<u>(Depreciation)</u>
Level 1 Measurement:			
Money Market	\$ 1,629,225	\$ 1,629,225	\$ -
Mutual Funds - Equity Based	12,674	11,860	(814)
Fixed Income	1,096,581	1,586,194	489,613
Equities	<u>996,379</u>	<u>1,049,381</u>	<u>53,002</u>
	3,734,859	4,276,660	541,801
Level 3 Measurement:			
Donor Advised Fund	<u>925,341</u>	<u>925,341</u>	<u>-</u>
	<u>\$ 4,660,200</u>	<u>\$ 5,202,001</u>	<u>\$ 541,801</u>

	<u>2024</u>		<b>Unrealized Appreciation (Depreciation)</b>
	<u>Cost</u>	<u>Fair Value</u>	<u>(Depreciation)</u>
Level 1 Measurement:			
Money Market	\$ 920,759	\$ 920,759	\$ -
Mutual Funds - Equity Based	1,878	2,905	1,027
Fixed Income	753,361	746,048	(7,313)
Equities	<u>1,231,579</u>	<u>1,705,959</u>	<u>474,380</u>
	2,907,577	3,375,671	468,094
Level 3 Measurement:			
Donor Advised Fund	<u>847,479</u>	<u>847,479</u>	<u>-</u>
	<u>\$ 3,755,056</u>	<u>\$ 4,223,150</u>	<u>\$ 468,094</u>

*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, 2025 and 2024, this interest was appraised at \$925,341 and \$847,479, respectively. The Mission owns, maintains and operates this fund and it is therefore considered unrestricted in these financial statements.

**4. INVESTMENTS (CONTINUED)**

*Investment Returns, Net*

Investment returns, net for the years ended September 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Interest on Cash	\$ 292,048	\$ 164,092
Interest, Dividends and Capital Gain Distributions on Investments	75,196	115,883
Realized Gain on Investments	1,466	99,585
Unrealized Holding Gain on Investments	91,081	298,289
Investment Fees	<u>(27,200)</u>	<u>(22,510)</u>
	<u>\$ 432,591</u>	<u>\$ 655,339</u>

**5. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment is comprised of the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 412,436	\$ 412,436
Buildings and Improvements	12,726,344	12,632,003
Furniture, Fixtures, and Equipment	1,764,066	1,731,798
Leasehold Improvements	41,522	35,769
Construction in Progress	<u>84,097</u>	<u>21,177</u>
Total	15,028,465	14,833,183
Less: Accumulated Depreciation	<u>(5,858,750)</u>	<u>(5,356,031)</u>
	<u>\$ 9,169,715</u>	<u>\$ 9,477,152</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. This loan was paid in full at September 30, 2025.

**7. NET ASSETS DESIGNATED BY THE BOARD FOR FUTURE MINISTRIES**

The Board has designated funds for the following future ministries as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Board Uncommitted Reserve	\$ 4,555,299	\$ 3,393,439
Board Strategic Reserve	1,128,557	1,072,164
Board Operating Reserve	421,000	421,000
Board Uncommitted Receivable	5,433	362,392
Board Committed Reserve		
Pension	10,000	10,000
Bonuses	-	45,000
301 Clinton Project	2,741	275,085
Capital Campaign	2,000,000	1,000,000
Board Designated Lally Endowment Earnings	317,239	284,939
Board Designated Davi Endowment Earnings	(154)	-
	<u>\$ 8,440,115</u>	<u>\$ 6,864,019</u>

These funds are included in cash and investments on the statements of financial position.

**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.

**CITY MISSION OF SCHENECTADY**  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025 AND 2024

**8. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

A summary of net assets with donor restrictions as of September 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Purpose Restricted:		
<i>Food</i>		
Jeffers Fund	\$ 145,996	\$ -
Food Bank Grant	2,265	-
Agricultural Grant	652	13,764
<i>Men's Shelter Programs</i>		
Ministry to Young Men Under 21	691	-
<i>Family Life Center Programs</i>		
Easter Dresses	693	693
Art Mural	1,262	1,263
Other	-	696
<i>Outreach Programs</i>		
Real Change	26	-
Street Soldiers	19,488	-
Toys	205	200
Neighbor to Neighbor	102,301	88,333
Weekend Backpack	-	240
Step Up Moment Fitness	500	500
<i>Other Programs</i>		
Health and Wellness	29,551	-
The Cornerstone Fund	9,524	15,674
Workforce Development	285,424	332,883
Cornerstone Loans	5,569	7,684
Exodus Loan Fund	14,550	5,858
Mother Cabrini	468,012	4,520
Academic Scholarships	115,639	113,739
Executive Director's Discretionary Fund	5,292	5,292
<i>Restricted for Assets and Projects</i>		
Capital Expansion and Equipment	<u>520,876</u>	<u>45,235</u>
Total Purpose Restricted	<u>1,728,516</u>	<u>636,574</u>
Perpetual in Nature:		
Restricted by Lally Endowment	953,287	953,287
Restricted by Anonymous	3,261	3,098
Restricted by Davi Endowment	<u>95,000</u>	<u>-</u>
Total Perpetual in Nature	<u>1,051,548</u>	<u>956,385</u>
Total Net Assets with Donor Restrictions	<u>\$ 2,780,064</u>	<u>\$ 1,592,959</u>

**CITY MISSION OF SCHENECTADY**  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025 AND 2024

**9. NET ASSETS RELEASED FROM RESTRICTIONS**

	<u>2025</u>	<u>2024</u>
Purpose Restrictions Accomplished for the Following:		
<i>Food</i>		
Food Operations Grant	\$ -	\$ 5,370
Agriculture Grant	49,309	24,394
<i>Men's Shelter Programs</i>		
Ministry to Young Men Under 21	-	2,536
Code Blue	30,000	-
<i>Family Life Center Programs</i>		
Fletcher Estate	-	6,443
Other	696	1,624
<i>Outreach Programs</i>		
Street Soldiers	512	-
Toys	2,958	2,600
Summer Youth Adventure	26,980	27,700
Neighbor to Neighbor	12,225	15,055
Weekend Backpack	3,145	3,196
<i>Other Programs</i>		
Health and Wellness	1,149	114,975
Cornerstone Loans	3,115	2,600
Workforce Development	149,694	142,543
The Cornerstone Fund	6,150	7,954
Exodus Loan Fund	2,404	16,127
Mother Cabrini	312,425	261,743
Academic Scholarships	600	510
<i>Restricted for Assets and Projects</i>		
Capital Expansion and Equipment	96,852	115,326
Total Purpose Restrictions Accomplished	\$ 698,214	\$ 750,696

**10. CONTRIBUTED NONFINANCIAL ASSETS**

For the years ended September 30, 2025 and 2024 contributed nonfinancial assets recognized within the statement of activities included:

	<u>2025</u>	<u>2024</u>
Family Assistance	\$ 118,265	\$ 107,953
Nutrition	2,485	12,412
Clothing Rooms	121,250	148,916
Services	12,250	9,920
Facilities	<u>1,665</u>	<u>-</u>
	<u>\$ 255,915</u>	<u>\$ 279,201</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 Health and Wellness Department. Special event donations were provided to support our Development Department’s golf event. Contributed nonfinancial assets of \$16,802 and \$13,967 were reported in special event revenue and expense for the golf event as of September 30, 2025 and 2024, respectively. See Note 13 for additional information.

**11. LEASES**

The Mission follows Accounting Standards Update No. 2016-02, *Leases*, which requires the recognition of lease assets and lease liabilities by the lessee for those leases classified as operating leases.

The Mission leases two buildings in Schenectady, NY, each expiring in 2029. As the interest rate implicit in the lease is not known, an incremental borrowing rate of 8.0% was used as the discount rate. One of the buildings involves related parties as noted in Note 15.

Amounts recognized as right-of-use asset and lease payable are included in the balance sheet as follows:

	<u>2025</u>	<u>2024</u>
Right-of-Use Asset	<u>\$ 650,041</u>	<u>\$ 807,879</u>
Current Portion of Lease Payable	171,114	157,838
Long-Term Portion of Lease Payable	<u>478,927</u>	<u>650,041</u>
Total Lease Payable	<u>\$ 650,041</u>	<u>\$ 807,879</u>

**11. LEASES (CONTINUED)**

Rent expense relating to operating lease was as follows:

	<u>2025</u>	<u>2024</u>
Fixed Rent Expense	\$ <u>281,538</u>	\$ <u>181,563</u>

Future undiscounted cash flows using a discount rate of 8.0% and a reconciliation to the operating lease liability recognized on the balance sheet are as follows as of September 30, 2025:

Years ending September 30,		
2026		\$ 225,067
2027		225,367
2028		225,667
2029		<u>94,080</u>
Total lease payments		770,181
Less imputed interest		<u>(120,140)</u>
Total present value of operating lease liability		650,041
Current installments of operating lease liability		<u>(171,114)</u>
Long-term portion of operating lease liability		<u>\$ 478,927</u>

**12. 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, 2025 and 2024, contributions made to eligible employees amounted to 7.0% of qualifying wages, or \$206,058 and \$200,085, respectively, and is included in salaries and benefits expense on the statement of functional expenses.

**13. SPECIAL EVENTS**

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

	<u>2025</u>			<u>2024</u>		
	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>
Annual Banquet	\$ 130,350	\$ 60,593	\$ 69,757	\$ 112,672	\$ 50,767	\$ 61,905
Golf With A Mission	73,022	42,950	30,072	73,912	45,573	28,339
Dueling Pianos	26,373	9,115	17,258	29,857	12,625	17,232
Steps for Sustainability 5K	<u>25,596</u>	<u>2,379</u>	<u>23,217</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$255,341</u>	<u>\$115,037</u>	<u>\$140,304</u>	<u>\$216,441</u>	<u>\$108,965</u>	<u>\$107,476</u>

**Annual Banquet:** A yearly gathering of friends of the Mission to celebrate stories of hope and transformation. There is a love offering taken at each meal. This event takes place over the course of two days with each daily event typically at full capacity.

**13. SPECIAL EVENTS (CONTINUED)**

**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.

**Steps for Sustainability 5K:** This event is a community fundraising event that brings together runners, walkers, volunteers, and supporters. Funds are generated through participant registration, sponsorship opportunities, and donations, and support City Mission programs and services for men, women, and children in need.

**14. COMMITMENTS AND CONTINGENCIES**

During 2025, the Mission had several outstanding bequests and, due to the involved administration process, final distribution and closeout did not occur by September 30, 2025. 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.

**15. 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. The Mission leases property at 301 Clinton Street, Schenectady, New York, and one trustee and another trustee's spouse have beneficial interest in the lessor company. Additionally, as outline in the Mission's Policy Guidelines, any trustee, officer or key person involved in a related party transaction must recuse themselves from any corresponding deliberation or voting in accordance with the Mission's conflict of interest policy.

**16. LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Mission has \$11,523,604 of financial assets available within one year of September 30, 2025 to meet cash needs for general expenditures, consisting of cash of \$7,548,716, accounts and legacies receivable of \$772,483, and short-term investments of \$3,202,405, of which \$8,440,115 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 6 months of normal operating expenses, which are, on average, approximately \$4,000,000. 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.