

**CITY RESCUE MISSION, INC.**  
(A Not-for-Profit Organization)

Financial Report

Years Ended September 30, 2015 and 2014

# CITY RESCUE MISSION, INC.

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LBA Certified Public Accountants, PA

## **Report of Independent Certified Public Accountants**

The Board of Directors of  
City Rescue Mission, Inc.  
Jacksonville, Florida

We have audited the accompanying financial statements of City Rescue Mission, Inc., (the Organization), (a not-for-profit organization) which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City Rescue Mission, Inc. as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*LBA Certified Public Accountants, P.A.*

January 15, 2016

**CITY RESCUE MISSION, INC.**  
 Statements of Financial Position  
 September 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>
<b>Assets:</b>		
Cash	<b>\$ 1,006,280</b>	\$ 1,043,143
Restricted cash	<b>261,397</b>	75,200
Accounts receivable, net	<b>18,148</b>	16,487
Contributions receivable, net	<b>51,000</b>	71,250
Other receivables	<b>45,365</b>	6,485
Inventory	<b>35,908</b>	48,977
Prepaid expenses	<b>94,151</b>	56,708
Property and equipment, net	<b>2,671,279</b>	2,811,672
Other assets	<b>8,250</b>	8,250
	<b>\$ 4,191,778</b>	<b>\$ 4,138,172</b>
Total assets	<b>\$ 4,191,778</b>	<b>\$ 4,138,172</b>
<b>Liabilities and net assets:</b>		
Liabilities:		
Accounts payable	<b>\$ 114,939</b>	\$ 232,517
Accrued liabilities	<b>200,103</b>	192,930
Notes payable	<b>140,000</b>	140,000
Capital lease	<b>-</b>	1,034
Total liabilities	<b>455,042</b>	566,481
Net assets:		
Unrestricted	<b>3,406,259</b>	3,425,241
Temporarily restricted	<b>330,477</b>	146,450
Total net assets	<b>3,736,736</b>	3,571,691
Total liabilities and net assets	<b>\$ 4,191,778</b>	<b>\$ 4,138,172</b>

*See accompanying notes to financial statements.*

**CITY RESCUE MISSION, INC.**  
Statement of Activities  
Year Ended September 30, 2015

	Unrestricted	Temporarily Restricted	Total
<b>Revenues, gains and other support:</b>			
Contributions and grants	\$ 3,186,103	\$ 431,714	\$ 3,617,817
In-kind donations	1,203,070	-	1,203,070
Thrift store contributions and sales	611,207	-	611,207
Program service fees	76,580	-	76,580
Other revenues	57,054	-	57,054
Interest and dividend income	18,196	-	18,196
Total revenues, gains and other support	5,152,210	431,714	5,583,924
Net assets released from restrictions	247,687	(247,687)	-
<b>Expenses:</b>			
Program services	3,794,685	-	3,794,685
Public relations and fundraising	1,110,110	-	1,110,110
Management and general	510,321	-	510,321
Cost of sales	3,763	-	3,763
Total expenses	5,418,879	-	5,418,879
Change in net assets	(18,982)	184,027	165,045
Net assets, beginning of year	3,425,241	146,450	3,571,691
Net assets, end of year	\$ 3,406,259	\$ 330,477	\$ 3,736,736

**CITY RESCUE MISSION, INC.**  
Statement of Activities  
Year Ended September 30, 2014

	Unrestricted	Temporarily Restricted	Total
<b>Revenues, gains and other support:</b>			
Contributions and grants	\$ 2,819,483	\$ 374,620	\$ 3,194,103
In-kind donations	1,311,248	-	1,311,248
Thrift store contributions and sales	739,772	-	739,772
Program service fees	74,760	-	74,760
Other revenues	12,314	-	12,314
Loss on sale of fixed assets	(104,193)	-	(104,193)
Change in value of beneficial interest in charitable remainder trusts	-	353,444	353,444
Interest and dividend income	24,524	-	24,524
Total revenues, gains and other support	<u>4,877,908</u>	<u>728,064</u>	<u>5,605,972</u>
Net assets released from restrictions	<u>1,159,392</u>	<u>(1,159,392)</u>	<u>-</u>
<b>Expenses:</b>			
Program services	3,976,149	-	3,976,149
Public relations and fundraising	1,190,999	-	1,190,999
Management and general	429,729	-	429,729
Cost of sales	5,355	-	5,355
Total expenses	<u>5,602,232</u>	<u>-</u>	<u>5,602,232</u>
Change in net assets	435,068	(431,328)	3,740
Net assets, beginning of year	<u>2,990,173</u>	<u>577,778</u>	<u>3,567,951</u>
Net assets, end of year	<u>\$ 3,425,241</u>	<u>\$ 146,450</u>	<u>\$ 3,571,691</u>

*See accompanying notes to financial statements.*

**CITY RESCUE MISSION, INC.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2015**

	Program Services										Total
	Emergency Services	LifeBuilders Men	LifeBuilders Women	New Day	Retail Services	Clothing Closet	Medical, Dental and Other Services	Total Program Services	Public Relations and Fundraising	Management and General	
Salaries and related expenses:											
Salaries	\$ 247,418	\$ 309,057	\$ 237,482	\$ 80,404	\$ 225,854	\$ -	\$ 74,522	\$ 1,174,737	\$ 204,070	\$ 166,080	\$ 1,544,887
Employee benefits and worker's comp insurance	52,531	68,416	50,189	11,574	55,220	-	5,324	243,254	35,607	16,171	295,032
Payroll taxes	18,604	23,615	17,675	6,201	17,435	-	5,566	89,096	15,561	21,335	125,992
Total salaries and related expenses	318,553	401,088	305,346	98,179	298,509	-	85,412	1,507,087	255,238	203,586	1,965,911
Bank charges	452	548	302	200	9,272	-	136	10,910	163	17,933	29,006
Community events	-	-	-	-	-	-	-	-	39,452	-	39,452
Computer services and maintenance	1,111	2,768	1,168	4,960	2,573	-	213	12,793	16,964	45,607	75,364
Conventions and seminars	97	93	88	-	-	-	-	278	1,543	2,118	3,939
Depreciation	135,266	59,978	8,070	1,592	44,085	-	2,643	251,634	-	36,045	287,679
Direct aid	204,477	402,973	362,912	51,456	15,858	37,870	133,659	1,209,205	2,903	49,700	1,261,808
Dues and subscriptions	1,629	(172)	274	-	-	-	62	1,793	1,779	7,819	11,391
Equipment rentals	5,251	13,859	5,774	4,074	1,285	454	1,696	32,393	720	13,002	46,115
Food and supplies	18,592	39,533	35,939	1,332	1,498	-	7,597	104,491	94	156	104,741
Insurance	4,135	87,976	36,390	3,611	55,391	-	-	187,503	3,371	7,484	198,358
Interest	-	-	-	-	-	-	-	-	-	1,797	1,797
Miscellaneous	319	1,463	441	1,384	551	-	-	4,158	2,934	21,407	28,499
Office supplies	2,117	1,321	1,018	2,377	5,799	518	419	13,569	7,016	7,139	27,724
Printing, postage and advertising	135	7,654	2,477	1,239	50	10	1,118	12,683	697,962	42,130	752,775
Professional fees	-	994	201	1,130	529	-	-	2,854	62,051	31,082	95,987
Repairs and maintenance	24,498	86,795	17,438	12,384	5,202	-	1,352	147,669	2,190	10,203	160,062
Telephone and utilities	35,151	83,251	41,023	18,623	54,262	-	10,683	242,993	11,993	12,320	267,306
Vehicle expense	2,101	26,146	5,311	9,579	9,535	-	-	52,672	3,737	793	57,202
<b>Total expenses</b>	<b>\$ 753,884</b>	<b>\$ 1,216,268</b>	<b>\$ 824,172</b>	<b>\$ 212,120</b>	<b>\$ 504,399</b>	<b>\$ 38,852</b>	<b>\$ 244,990</b>	<b>\$ 3,794,685</b>	<b>\$ 1,110,110</b>	<b>\$ 510,321</b>	<b>\$ 5,415,116</b>



**CITY RESCUE MISSION, INC.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2014**

	Program Services										
	Emergency Services	LifeBuilders Men	LifeBuilders Women	New Day	Retail Services	Clothing Closet	Medical, Dental and Other Services	Total Program Services	Public Relations and Fundraising	Management and General	Total
Salaries and related expenses:											
Salaries	\$ 226,989	\$ 300,550	\$ 262,566	\$ 94,612	\$ 236,202	\$ -	\$ 72,693	\$ 1,193,612	\$ 200,561	\$ 113,426	\$ 1,507,599
Employee benefits and worker's comp insurance	48,265	67,595	50,079	12,477	69,941	-	5,959	254,316	29,426	25,992	309,734
Payroll taxes	17,577	23,071	20,231	7,522	18,071	-	5,426	91,898	15,773	28,686	136,357
Total salaries and related expenses	292,831	391,216	332,876	114,611	324,214	-	84,078	1,539,826	245,760	168,104	1,953,690
Bank charges	124	879	308	34	9,671	-	79	11,095	15,342	1,696	28,133
Community events	-	-	-	-	-	-	-	-	30,612	-	30,612
Computer services and maintenance	545	6,672	6,478	6,305	3,160	-	102	23,262	22,122	9,082	54,466
Conventions and seminars	-	-	-	-	-	-	-	-	2,475	3,803	6,278
Depreciation	132,161	53,425	6,614	376	44,311	-	1,728	238,615	-	32,537	271,152
Direct aid	214,677	434,224	388,847	27,176	22,757	30,755	160,791	1,279,227	-	74,316	1,353,543
Dues and subscriptions	733	927	846	400	330	-	31	3,267	4,133	4,713	12,113
Equipment rentals	5,336	12,688	5,395	470	241	454	1,625	26,209	8,454	4,015	38,678
Food and supplies	16,858	40,893	32,699	5,665	2,792	-	9,656	108,563	14,270	2,722	125,555
Insurance	3,989	82,152	35,045	3,446	53,502	-	-	178,134	3,284	7,126	188,544
Interest	-	-	-	-	-	-	-	-	-	4,763	4,763
Miscellaneous	221	839	916	2,023	4,643	-	-	8,642	2,143	22,472	33,257
Office supplies	1,061	2,357	1,274	1,581	3,968	394	684	11,319	7,536	9,607	28,462
Printing, postage and advertising	-	957	911	456	4,117	77	456	6,974	772,234	5,238	784,446
Professional fees	24	224	224	-	1,238	-	-	1,710	41,950	55,451	99,111
Repairs and maintenance	20,980	100,869	32,479	12,840	22,501	19	2,094	191,782	6,092	10,893	208,767
Telephone and utilities	48,429	104,647	52,117	22,384	53,047	-	8,262	288,886	11,916	12,237	313,039
Vehicle expense	1,025	25,070	6,127	8,565	17,825	-	26	58,638	2,676	954	62,268
<b>Total expenses</b>	<b>\$ 738,994</b>	<b>\$ 1,258,039</b>	<b>\$ 903,156</b>	<b>\$ 206,332</b>	<b>\$ 568,317</b>	<b>\$ 31,699</b>	<b>\$ 269,612</b>	<b>\$ 3,976,149</b>	<b>\$ 1,190,999</b>	<b>\$ 429,729</b>	<b>\$ 5,596,877</b>

See accompanying notes to financial statements.

**CITY RESCUE MISSION, INC.**  
 Statements of Cash Flows  
 Years Ended September 30, 2015 and 2014

	2015	2014
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 165,045	\$ 3,740
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	287,679	271,152
Loss on disposal of property and equipment	-	104,193
Bad debt expense	17,000	17,000
Contributions restricted for long-term purposes	(343,206)	(230,000)
Net changes in:		
Accounts receivable, net	(1,661)	4,918
Contributions receivable	3,250	22,198
Other receivables	(38,880)	(4,242)
Charitable remainder trusts	-	(353,444)
Inventory	13,069	(12,665)
Prepaid expenses	(37,443)	45,261
Accounts payable	(117,578)	53,918
Accrued liabilities	7,173	(5,906)
Net cash used by operating activities	(45,552)	(83,877)
<b>Cash flows from investing activities:</b>		
Proceeds from charitable remainder trust	-	594,495
Proceeds from sale of investments	-	360,592
Proceeds from disposal of assets	-	11,070
Purchase of property and equipment	(147,286)	(324,869)
Net cash (used ) provided by investing activities	(147,286)	641,288
<b>Cash flows from financing activities:</b>		
Proceeds from contributions restricted for long-term purpose	343,206	230,000
Principal payments on capital lease	(1,034)	(10,558)
Net cash provided by financing activities	342,172	219,442
Net increase in cash	149,334	776,853
Cash, beginning of year	1,118,343	341,490
Cash, end of year	\$ 1,267,677	\$ 1,118,343
Cash - unrestricted	\$ 1,006,280	\$ 1,043,143
Cash - temporarily restricted	261,397	75,200
	\$ 1,267,677	\$ 1,118,343
<b>Supplemental disclosure:</b>		
Cash paid for interest	\$ 1,797	\$ 4,763

*See accompanying notes to financial statements.*

**CITY RESCUE MISSION, INC.**  
Notes to Financial Statements  
Years Ended September 30, 2015 and 2014

**1. Nature of Organization**

City Rescue Mission, Inc. (the Organization), a not-for-profit organization founded in 1946, exists to transform the lives of the homeless and needy, serving them through the love and compassion of Jesus Christ. The Organization provides emergency services (hot meals, clean clothing and safe shelter) to the homeless and needy in Jacksonville and the surrounding Northeast Florida communities. The Organization also provides a long term residential, biblically based recovery program (LifeBuilders). Individuals entering LifeBuilders are offered biblical instruction, counseling including relapse prevention and computer literacy classes as well as on-site medical, dental and chiropractic care. In addition to LifeBuilders, the Organization provides job training/placement services and educational opportunities through its NewDay Program. The Organization is privately funded and supported by individuals, churches, organizations, sponsorships, grants, businesses and community events. The Organization also operates a thrift store which sells donated items to the general public.

**2. Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. The financial statements and accompanying notes are representations of the Organization's management. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the presentation of the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues are recognized when they become measurable and available and expenses are generally recognized when the related liability is incurred.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Accordingly, net assets and changes therein are classified as follows:

*Unrestricted Net Assets* - Net assets from operations that are not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* - 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.

**CITY RESCUE MISSION, INC.**  
Notes to Financial Statements  
Years Ended September 30, 2015 and 2014

**2. Summary of Significant Accounting Policies (Continued)**

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization. The Organization had no permanently restricted net assets at September 30, 2015 and 2014.

Restricted Cash

Restricted cash is limited, based on donor restrictions, for use on programs and purchases of long-term assets as presented in Note 9.

Accounts Receivable

Management evaluates total accounts receivable and includes in the allowance for doubtful accounts an estimate of losses to be sustained. Uncollectible amounts are charged against the allowance account when management determines the possibility of collection is remote. The allowance for doubtful accounts was \$0 and \$6,700 at September 30, 2015 and 2014, respectively. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The Organization does not charge interest on past due amounts.

Contributions Receivable

Contributions receivable are all due within one year. The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Uncollectible amounts are charged against the allowance account when management determines the possibility of collection is remote. The allowance for doubtful accounts was \$34,000 and \$17,000 at September 30, 2015 and 2014, respectively.

Inventory

The Organization's inventory at September 30, 2015 and 2014 consisted of thrift store items for resale and donated dental equipment. Thrift store inventory is carried at the lower of average cost or market, as determined by the average cost method. Donated dental inventory is valued at fair value for new inventory, while used inventory is valued at 40 percent of the estimated cost.

The Organization performs a periodic assessment to determine the existence of obsolete, slow moving and non-saleable inventory and records necessary provisions to reduce such inventory to net realizable value.

Property and Equipment

Property and equipment is stated at cost if purchased or at the estimated fair value if donated at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Maintenance and repairs are charged to expense as incurred. When items of property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation accounts are eliminated, and any gain or loss is included in the statement of activities as a change in unrestricted net assets.

**CITY RESCUE MISSION, INC.**  
Notes to Financial Statements  
Years Ended September 30, 2015 and 2014

**2. Summary of Significant Accounting Policies (Continued)**

The Organization's current policy is to capitalize all purchased or donated assets valued in excess of \$1,000 with estimated useful lives of greater than one year. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets. Asset lives for financial statement reporting of depreciation are:

Buildings and improvements	5 – 40 years
Equipment and furnishings	5 – 10 years
Vehicles	5 – 10 years

The Organization reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of long-lived assets is measured by comparing the carrying amount of the assets or asset group to the undiscounted cash flows that the assets or asset group is expected to generate. If the undiscounted cash flows of such assets are less than the carrying amount, the impairment to be recognized is measured by the amount by which the carrying amount, if any, exceeds its fair value. No impairments were deemed to exist at September 30, 2015 and 2014.

Contributions

Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Materials and Services

Donated materials, services and facilities are recorded as contributions at their estimated fair values at the date of donation. Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills that are provided by individuals possessing those skills.

A substantial number of volunteers have donated significant amounts of their time to the Organization. Based on authoritative guidance, the financial statements reflect amounts for those volunteers whose services create or enhance non-financial assets or require specialized skills. Donated professional, medical, dental and other services which required specialized skills have been recorded in the financial statements based on actual hours worked multiplied by an estimated rate per hour based on standard rates of services provided. Donated professional services of \$160,152 and \$150,019 were recorded in in-kind donations on the statement of activities for the years ended September 30, 2015 and 2014, respectively. The expenses were recorded as professional fees on the statement of functional expenses.

Thrift Store Sales

The Organization operates a Thrift Store which sells donated items to the general public. Thrift Store sales are recognized as revenue at the point-of-sale. Sales are net of returns and exclude

**CITY RESCUE MISSION, INC.**  
Notes to Financial Statements  
Years Ended September 30, 2015 and 2014

**2. Summary of Significant Accounting Policies (Continued)**

sales tax. The Thrift Store does not allow customers to return merchandise except for electronics that fail within 24 hours of purchase and those returns are limited to exchange or in-store credit only. The Thrift Store does not offer a gift card program. Through the Thrift Store, the Organization provides clothing, furniture and other household items at no charge to those screened and referred by other cooperating social service agencies. The Organization valued the merchandise provided through this program at \$15,858 and \$22,656 for the years ended September 30, 2015 and 2014, respectively.

Income Taxes

The Organization is a private not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

The Organization evaluates its tax positions for any uncertainties based on the technical merits of the positions taken. The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be upheld on examination by taxing authorities. The Organization has analyzed the tax positions taken and has concluded that as of September 30, 2015 and 2014, there were no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements.

Management is required to analyze all open tax years, as defined by the Statute of Limitations, for all major jurisdictions, including federal and certain state taxing authorities. With few exceptions, at September 30, 2015, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by taxing authorities for years before 2012. As of and for the years ended September 30, 2015 and 2014, the Organization did not have a liability for any unrecognized taxes. The Organization has no examinations in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax liabilities will significantly change in the next twelve months.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and activities. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several activities are allocated based on estimates of benefit to each function.

Allocation of Joint Costs

During the year ended September 30, 2015, the Organization mailed newsletters that included requests for contributions, as well as program and management and general components. The costs of conducting these activities included a total of \$51,854, respectively, of joint costs, which are not specifically attributable to particular components of the activities.

**CITY RESCUE MISSION, INC.**  
Notes to Financial Statements  
Years Ended September 30, 2015 and 2014

**2. Summary of Significant Accounting Policies (Continued)**

Joint costs were allocated as follows:

	2015
Management and General	\$ 25,467
Fundraising	21,989
Program: LifeBuilders - Men	4,398
Total	\$ 51,854

The Organization did not allocate joint costs for the year ended September 30, 2014.

Reclassifications

Certain 2014 amounts have been reclassified to conform to the 2015 presentation.

Subsequent Events

The Organization has evaluated the events that have occurred subsequent to year end through the date of the report of independent certified public accountants, the date the financial statements were available to be issued.

**3. Split-Interest Agreement**

The Organization was the remainder beneficiary of two charitable remainder trusts with the same income beneficiary. The income beneficiary received a fixed annuity each year. The income beneficiary of the two charitable remainder trusts passed away in January 2014. The remaining funds held in the trust, valued at \$594,495 as of January 31, 2014, were released to the Organization. The amount received in excess of the present value of the charitable remainder trust reported at September 30, 2013 was reported in the statement of activities as changes in temporarily restricted net assets. The trusts did not stipulate the Organization's use of the funds once received, therefore the full \$594,495 was released from restriction as of September 30, 2014.

**4. Property and Equipment**

Property and equipment consisted of the following at September 30:

	2015	2014
Land	\$ 297,818	\$ 297,818
Buildings and improvements	5,691,284	5,551,012
Equipment and furnishings	690,253	683,239
Vehicles	174,212	174,212
	6,853,567	6,706,281
Less: Accumulated depreciation	(4,182,288)	(3,894,609)
	\$ 2,671,279	\$ 2,811,672

**CITY RESCUE MISSION, INC.**  
Notes to Financial Statements  
Years Ended September 30, 2015 and 2014

**5. Land Held for Investment**

Several parcels of land are held for investment and are carried at their current county assessed tax value, as part of other assets in the statement of financial position. The value of these parcels was \$3,380 at September 30, 2015 and 2014.

**6. Forgivable Loan**

In 2001, the Organization received a \$140,000 forgivable loan from the Duval County Housing Finance Authority, through the SHIP program, to build and maintain single family homes for formerly homeless individuals or families. The terms of the loan require the Organization to continue to use the property for the stated purpose or the Organization will be in default and the loan will be due in full. The carrying amount of this loan is included in notes payable on the statement of financial position. The loan will be forgiven in 2016.

**7. Line of Credit**

The Organization has a \$300,000 line of credit collateralized by one of the Organization's buildings, which expires in March 2016. The line of credit bears interest at an annual rate of 5 percent until the prime rate changes from 3.25 percent, at which point the line will bear interest at an annual rate of prime plus 0.5 percent. The Organization had no balance on the line at September 30, 2015 and 2014.

**8. Leases**

The Organization leases various office equipment under non-cancelable operating leases expiring in 2019. Total rent expense on operating leases for each of the years ended September 30, 2015 and 2014 was \$13,833 and \$9,357, respectively.

At September 30, 2015, the future minimum lease payments under these leases having initial or remaining terms in excess of one year are as follows:

2016	\$ 9,666
2017	10,150
2018	10,657
2019	<u>5,595</u>
Total minimum lease payments	<u>\$ 36,068</u>



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**9. Temporarily Restricted Net Assets**

Temporarily restricted net assets were available for the following purposes at September 30:

	2015	2014
Property acquisition and building renovations	\$ 211,824	\$ 11,367
LifeBuilders	54,080	54,080
Salaries	25,577	25,577
Equipment	14,930	24,059
Program services materials	11,738	17,040
New Day and Workforce Development	6,871	5,000
Direct aid	5,457	9,327
Total temporarily restricted net assets	\$ 330,477	\$ 146,450

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors during the year as follows:

	2015	2014
Purpose restriction accomplished:		
Other building renovation	\$ 129,802	\$ 315,464
Program services	44,408	45,312
Food and shelter	33,000	21,187
Equipment	22,085	96,322
Clothing closet	14,064	21,199
New Day and Workforce Development	3,128	20,200
Other	1,200	-
New Life Inn	-	5,463
Time restriction expired	-	634,245
Total restrictions released	\$ 247,687	\$ 1,159,392

**10. Retirement Plan**

The Organization established a 401(k) plan that provides for employee contributions with a percentage matched by the Organization. All employees are eligible to participate after 90 days of service. The Organization matches 25 percent of the employee's contributions, up to 4 percent of their annual salary, after a year of service. The Organization's matching contributions for 2015 and 2014 were \$1,827 and \$2,917, respectively.

**11. Concentrations**

Concentrations of Credit Risk

The Organization places its temporary cash investments with FDIC insured financial institutions. At times, the account balances may exceed the FDIC insured limits. The Organization does not believe it is exposed to any significant credit risk with respect to cash.

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**11. Concentrations** (Continued)

Contributions Receivable

The Organization had a contribution receivable from one individual which constituted 100 percent of net contributions receivable at September 30, 2015. The Organization had a contribution receivable from one individual which constituted 96 percent of net contributions receivable at September 30, 2014.

