

oOo

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.

Combined Financial Statements

August 31, 2018 and 2017

oOo

TABLE OF CONTENTS

	<u>Pages</u>
Independent Auditor's Report	1-2
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statement of Functional Expenses (2018)	5
Combined Statement of Functional Expenses (2017)	6
Combined Statements of Cash Flows	7
Notes to Combined Financial Statements	8-16
Combining Schedule of Financial Position (2018)	17
Combining Schedule of Financial Position (2017)	18
Combining Schedule of Activities (2018)	19
Combining Schedule of Activities (2017)	20



The Board of Directors
The Raleigh Rescue Mission, Inc.
The Raleigh Rescue Mission Foundation, Inc.
Raleigh, North Carolina

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying combined financial statements of The Raleigh Rescue Mission, Inc. and The Raleigh Rescue Mission Foundation, Inc. (not-for-profit organizations), which comprise the combined statements of financial position as of August 31, 2018 and 2017, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organizations' preparation and fair presentation of the combined 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 organizations' 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of The Raleigh Rescue Mission, Inc. and The Raleigh Rescue Mission Foundation, Inc., as of August 31, 2018 and 2017, 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.

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

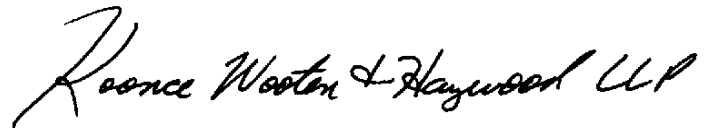
919 354 2584
919 489 8183 FAX

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Other Matter

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

A handwritten signature in cursive script that reads "Rance Weston & Hayward LLP".

Raleigh, North Carolina
November 29, 2018

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Combined Statements of Financial Position
August 31, 2018 and 2017

ASSETS		
	2018	2017
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 523,471	\$ 621,016
Accrued Interest Receivable	9,029	9,253
Investments	370,779	378,930
Accounts Receivable	17,613	
Grants Receivable	5,250	7,500
Prepaid Expenses	58,604	104,270
Inventory	55,278	42,428
Total Current Assets	1,040,024	1,163,397
PROPERTY AND EQUIPMENT:		
Land	52,359	52,359
Buildings	4,016,593	3,992,464
Leasehold Improvements	37,693	37,693
Equipment, Furniture, and Fixtures	376,678	339,260
Vehicles	204,335	204,335
Total	4,687,658	4,626,111
Less Accumulated Depreciation	2,651,792	2,470,717
Net Property and Equipment	2,035,866	2,155,394
OTHER ASSETS:		
Investments	3,628,920	3,634,018
Beneficial Interests in Assets held by Others	34,088	32,758
Land Held for Investment	1,293,665	1,293,665
Cash Restricted for Long Term Investment	246,338	163,299
Cash Surrender Value of Life Insurance	35,809	32,953
Total Other Assets	5,238,820	5,156,693
Total Assets	\$ 8,314,710	\$ 8,475,484
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Expenses	\$ 262,686	\$ 207,663
NET ASSETS:		
Unrestricted	5,743,732	5,592,728
Temporarily Restricted	2,239,455	2,606,256
Permanently Restricted	68,837	68,837
Total Net Assets	8,052,024	8,267,821
Total Liabilities and Net Assets	\$ 8,314,710	\$ 8,475,484

The accompanying notes are an integral part of the combined financial statements.

COMBINED STATEMENTS OF ACTIVITIES

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Combined Statements of Activities
For The Years Ended August 31, 2018 and 2017

	2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
CHANGES IN NET ASSETS:				
SUPPORT AND REVENUE:				
Public Support:				
Cash Contributions	\$ 3,136,853	\$ 25,449	\$	\$ 3,162,302
Bequests and Planned Giving	40,510			40,510
Noncash Contributions	1,173,282			1,173,282
Special Events	69,645			69,645
Grant Income	636,622	7,000		643,622
Total Public Support	<u>5,056,912</u>	<u>32,449</u>		<u>5,089,361</u>
Program Service Revenue:				
Thrift Store Sales	578,470			578,470
Total Program Service Revenue	<u>578,470</u>			<u>578,470</u>
Other Revenue:				
Increase in Cash Surrender Value of Life Insurance	2,856			2,856
Investment Income	333,380			333,380
Other Income	13,631			13,631
Loss on Property Disposition	(1,702)			(1,702)
Net Assets Released From Restrictions:				
Satisfaction of Restrictions	399,250	(399,250)		
Total Other Revenue	<u>747,415</u>	<u>(399,250)</u>		<u>348,165</u>
Total Support and Revenue	<u>6,382,797</u>	<u>(366,801)</u>		<u>6,015,996</u>
EXPENSES:				
Program Service:				
Men, Women, and Children Ministries	4,877,196			4,877,196
Supporting Services:				
Management and General	441,313			441,313
Fundraising	913,284			913,284
Total Supporting Services	<u>1,354,597</u>			<u>1,354,597</u>
Total Expenses	<u>6,231,793</u>			<u>6,231,793</u>
CHANGES IN NET ASSETS	151,004	(366,801)		(215,797)
NET ASSETS--Beginning of Year	<u>5,592,728</u>	<u>2,606,256</u>	<u>68,837</u>	<u>8,267,821</u>
NET ASSETS--End of Year	<u>\$ 5,743,732</u>	<u>\$ 2,239,455</u>	<u>\$ 68,837</u>	<u>\$ 8,052,024</u>

The accompanying notes are an integral part of the combined financial statements.

2017			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 3,325,005	\$	\$	\$ 3,325,005
102,263			102,263
1,642,638			1,642,638
87,251			87,251
642,005	10,000		652,005
<u>5,799,162</u>	<u>10,000</u>		<u>5,809,162</u>
666,738			666,738
<u>666,738</u>			<u>666,738</u>
1,091			1,091
232,375			232,375
13,052			13,052
215,500	(215,500)		
<u>462,018</u>	<u>(215,500)</u>		<u>246,518</u>
6,927,918	(205,500)		6,722,418
<u>5,299,522</u>			<u>5,299,522</u>
401,089			401,089
1,039,059			1,039,059
<u>1,440,148</u>			<u>1,440,148</u>
<u>6,739,670</u>			<u>6,739,670</u>
188,248	(205,500)		(17,252)
<u>5,404,480</u>	<u>2,811,756</u>	<u>68,837</u>	<u>8,285,073</u>
<u>\$ 5,592,728</u>	<u>\$ 2,606,256</u>	<u>\$ 68,837</u>	<u>\$ 8,267,821</u>

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Combined Statement of Functional Expenses
For The Year Ended August 31, 2018

	Program Service		Supporting Services		Total Expenses
	Men, Women, and Children Ministries	Management and General	Fundraising	Supporting Services Total	
Salaries	\$ 2,008,745	\$ 259,860	\$ 199,750	\$ 459,610	\$ 2,468,355
Payroll Taxes and Employee Benefits	<u>405,102</u>	<u>43,812</u>	<u>47,485</u>	<u>91,297</u>	<u>496,399</u>
Total Salaries and Related Expenses	2,413,847	303,672	247,235	550,907	2,964,754
In-Kind Program Expense	1,157,589				1,157,589
Media, Communications and Development	14,040		318,798	318,798	332,838
Printing and Postage	3,547	391	295,241	295,632	299,179
Contract Services	255,988	16,241	10,598	26,839	282,827
Rent	226,981	11,132	4,856	15,988	242,969
Repairs and Maintenance	136,704	6,131	3,652	9,783	146,487
Food Expense	134,967				134,967
Utilities	97,217	3,446	1,850	5,296	102,513
Office Expense	30,796	62,473	5,174	67,647	98,443
Insurance	68,682	4,987	5,836	10,823	79,505
Resident Services	66,104				66,104
Travel and Vehicle Expense	39,474	12,733	971	13,704	53,178
Professional Services	4,017	18,228	6,645	24,873	28,890
Supplies--Resident and Medical	21,031				21,031
Telephone	19,482	494	860	1,354	20,836
Special Events			9,580	9,580	9,580
Charitable Contribution--Other	<u>22</u>		<u>1,286</u>	<u>1,286</u>	<u>1,308</u>
Total Expenses Before Depreciation	4,690,488	439,928	912,582	1,352,510	6,042,998
Depreciation	<u>186,708</u>	<u>1,385</u>	<u>702</u>	<u>2,087</u>	<u>188,795</u>
Total Expenses	<u>\$ 4,877,196</u>	<u>\$ 441,313</u>	<u>\$ 913,284</u>	<u>\$ 1,354,597</u>	<u>\$ 6,231,793</u>

The accompanying notes are an integral part of the combined financial statements.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Combined Statement of Functional Expenses
For The Year Ended August 31, 2017

	Program Service	Supporting Services			Total Expenses
	Men, Women, and Children Ministries	Management and General	Fundraising	Supporting Services Total	
Salaries	\$ 2,051,492	\$ 199,300	\$ 292,789	\$ 492,089	\$ 2,543,581
Payroll Taxes and Employee Benefits	<u>532,275</u>	<u>57,401</u>	<u>80,412</u>	<u>137,813</u>	<u>670,088</u>
Total Salaries and Related Expenses	2,583,767	256,701	373,201	629,902	3,213,669
In-Kind Program Expense	1,667,216				1,667,216
Media, Communications and Development	99,028	240	306,378	306,618	405,646
Printing and Postage	1,146	164	301,043	301,207	302,353
Contract Services	107,631	16,426	7,536	23,962	131,593
Rent	215,613	11,418	3,264	14,682	230,295
Repairs and Maintenance	103,430	4,438	4,197	8,635	112,065
Food Expense	58,920				58,920
Utilities	83,560	2,758	3,425	6,183	89,743
Office Expense	43,035	75,427	7,308	82,735	125,770
Insurance	66,553	4,213	5,205	9,418	75,971
Resident Services	32,357	606		606	32,963
Travel and Vehicle Expense	27,552	3,083	3,135	6,218	33,770
Professional Services	2,545	14,906	3,680	18,586	21,131
Supplies--Resident and Medical	2,378				2,378
Telephone	16,848	411	569	980	17,828
Special Events			18,815	18,815	18,815
Charitable Contribution--Other	<u>12,833</u>	<u>1,720</u>	<u>590</u>	<u>2,310</u>	<u>15,143</u>
Total Expenses Before Depreciation	5,124,412	392,511	1,038,346	1,430,857	6,555,269
Depreciation	<u>175,110</u>	<u>8,578</u>	<u>713</u>	<u>9,291</u>	<u>184,401</u>
Total Expenses	<u>\$ 5,299,522</u>	<u>\$ 401,089</u>	<u>\$ 1,039,059</u>	<u>\$ 1,440,148</u>	<u>\$ 6,739,670</u>

The accompanying notes are an integral part of the combined financial statements.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Combined Statements of Cash Flows
For The Years Ended August 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ (215,797)	\$ (17,252)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	188,795	184,401
Increase in Cash Surrender Value of Life Insurance	(2,856)	(1,091)
Unrealized (Gain) Loss on Investments	17,388	(62,347)
Realized Gain on Sale of Investments	(294,085)	(111,028)
Loss on Property Disposition	1,702	
Changes In:		
Accrued Interest Receivable	224	(1,104)
Accounts Receivable	(17,613)	
Grants Receivable	2,250	
Prepaid Expenses	45,666	(3,241)
Inventory	(12,850)	31,466
Accounts Payable and Accrued Expenses	55,023	(98,864)
Net Cash Used by Operating Activities	<u>(232,153)</u>	<u>(79,060)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(70,969)	(97,250)
Purchase of Investments	(2,416,118)	(898,527)
Proceeds From Sales of Investments	2,704,734	770,062
Net Cash Provided (Used) by Investing Activities	<u>217,647</u>	<u>(225,715)</u>
NET DECREASE IN CASH	(14,506)	(304,775)
CASH AND CASH EQUIVALENTS--Beginning of Year	<u>784,315</u>	<u>1,089,090</u>
CASH AND CASH EQUIVALENTS--End of Year	<u>\$ 769,809</u>	<u>\$ 784,315</u>
SUMMARY OF CASH:		
Cash and Cash Equivalents	\$ 523,471	\$ 621,016
Cash Restricted for Long Term Investment	246,338	163,299
	<u>\$ 769,809</u>	<u>\$ 784,315</u>

The accompanying notes are an integral part of the combined financial statements.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Notes To Combined Financial Statements
August 31, 2018 and 2017

1. Summary of Significant Accounting Policies

A. Organizations:

The Raleigh Rescue Mission, Inc. ("The Mission") is a Christian-based not-for-profit agency in Raleigh, North Carolina serving homeless and "at risk" men, women, and children. The Mission was formed in September 1960 and works daily to break the cycle of homelessness in people's lives by ministering to their physical, emotional, and spiritual needs. The Mission receives its funding primarily through private donations.

The Raleigh Rescue Mission Foundation, Inc. ("The Foundation") was established September 1, 1994, to promote The Raleigh Rescue Mission, Inc. and to provide financial support.

B. Combined Financial Statements:

The financial information of the Mission and the Foundation is presented as combined due to their significant shared economic interests, similarity of purpose, and common board of directors. All significant inter-organization accounts and transactions have been eliminated in the combined financial statements.

C. Basis of Presentation:

Financial reporting standards require not-for-profit organizations to classify resources into three net asset categories according to externally-imposed restrictions. Accordingly, net assets of the Organizations and changes therein may be classified and reported as follows:

Unrestricted Net Assets--Net assets 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 Organizations and/or the passage of time.

Permanently Restricted Net Assets--Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organizations.

D. Restricted and Unrestricted Revenue:

Contributions of cash and other assets are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. 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.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Notes To Combined Financial Statements
August 31, 2018 and 2017

1. Summary of Significant Accounting Policies (Continued)

E. Program Service:

The Mission works to provide solutions to the complex problems faced by men, women, and children who are homeless or at risk of becoming homeless. As an "open door" in the community, the Mission provides the basics of food, clothing, and Emergency Overnight Shelter to homeless women and children and Recovery and Rehabilitation Services for both men and women desiring a longer-term program of care. The Mission offers on-site programs such as a Medical Clinic, Adult Education Center with computer lab, Child Development Center, and Housing Locator Assistance designed to help people overcome issues related to homelessness, addiction, and poverty. The Mission operates a thrift store, which creates jobs for the community and offers opportunities for volunteers to become involved with the Mission. Net revenue generated by the thrift store is used to support the programs of the Mission.

F. Accounting Estimates:

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

G. Donated Materials and Services:

Clothing, household, and other items donated to the Mission for sale or use in rehabilitation programs and donated property and equipment put into service are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

No amounts have been reflected in the combined financial statements for volunteer hours since these services do not meet the requirements for recognition in the combined financial statements.

H. Tax-Exempt Status:

The Mission and the Foundation are exempt from federal and state income taxes under Section 501(a) of the Internal Revenue Code and are classified under Section 501(c)(3) as public charities. The Mission and the Foundation have also been classified as entities that are not private foundations within the meaning of Section 509(a) and qualify for deductible contributions provided in Section 170(b)(1)(A)(vi).

It is the Mission and the Foundation's policy to evaluate all tax positions to identify those that may be considered uncertain. All identified material tax positions are assessed and measured by a "more-likely-than-not" threshold to determine if the benefit of any uncertain tax position should be recognized in the combined financial statements. Any changes in the amount of a tax position are recognized in the period the change occurs.

The Mission and the Foundation file each of their Form 990 series tax returns in the U.S. Federal jurisdiction. The Mission and the Foundation returns are subject to examination by the Internal Revenue Service for a period of three years after the respective filing deadlines.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Notes To Combined Financial Statements
August 31, 2018 and 2017

1. Summary of Significant Accounting Policies (Concluded)

I. Functional Allocation of Expenses:

The costs of providing various programs and activities have been summarized on a functional basis in the Statements of Functional Expenses. The costs are allocated on a departmental basis based on estimates made by the Organizations' management.

J. Cash and Cash Equivalents:

The Organizations consider all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

K. Investments:

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the combined statements of financial position. Gains and losses are determined using the specific identification method.

L. Inventory:

The Mission records inventory on hand at the thrift store based on the Internal Revenue Service's stated thrift shop values.

M. Property and Equipment:

Property and equipment are recorded at cost or estimated fair market value at date of donation. A capitalization threshold of \$1,000 is utilized. Depreciation is computed on a straight-line basis over estimated useful lives as follows:

Buildings	7 - 40 Years
Equipment, Furniture and Fixtures	3 - 10 Years
Vehicles	3 - 5 Years

2. Cash Value of Life Insurance

As of August 31, 2018 and 2017, the Mission was the beneficiary and owner of one insurance policy.

3. Investments

The Organizations held the following investments at August 31, 2018:

	Historical Cost	Market Value
Marketable Equity Securities	\$ 590,296	\$ 1,188,322
Marketable Debt Securities	501,817	486,660
Equity Mutual Funds	1,755,145	1,770,759
Certificates of Deposit	<u>561,262</u>	<u>553,959</u>
Total	<u>\$ 3,408,519</u>	<u>\$ 3,999,699</u>

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Notes To Combined Financial Statements
August 31, 2018 and 2017

3. Investments (Continued)

The Organizations held the following investments at August 31, 2017:

	<u>Historical Cost</u>	<u>Market Value</u>
Marketable Equity Securities	\$ 536,655	\$ 1,012,522
Marketable Debt Securities	538,098	535,064
Equity Mutual Funds	1,708,435	1,859,211
Certificates of Deposit	<u>609,589</u>	<u>606,151</u>
Total	<u>\$ 3,392,777</u>	<u>\$ 4,012,948</u>

Investment income (loss) consists of the following:

	<u>2018</u>	<u>2017</u>
Interest and Dividends	\$ 80,741	\$ 83,017
Realized Gain on Sale of Investments	294,085	111,028
Unrealized Gain (Loss) on Investments and Beneficial Interests	(17,388)	62,347
Investment Expenses	<u>(24,058)</u>	<u>(24,017)</u>
Total	<u>\$ 333,380</u>	<u>\$ 232,375</u>

4. Fair Value Measurements

The Organizations follow ASC 820, *Fair Value Measurements and Disclosures*, as amended, with respect to fair value measurements of their financial assets and financial liabilities. This standard defines fair value as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The standard also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The hierarchy is broken down into three levels. Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2018 and 2017. There were no transfers or reclassifications between Level 2 or Level 3 during the years ended August 31, 2018 or 2017.

Government and corporate bonds and notes, common and preferred stocks, and mutual funds are held in brokerage accounts and valued at readily available, quoted prices in principal active markets that are considered to be representative of fair value. The Organizations' classify these investments within Level 1 of the valuation hierarchy.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Notes To Combined Financial Statements
August 31, 2018 and 2017

4. Fair Value Measurements (Continued)

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organizations believe their valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In accordance with ASC 820, the table below includes the major categorization for debt and equity securities on the basis of the nature and risk of the investments at August 31, 2018 and 2017:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>August 31, 2018</u>				
Investments:				
Marketable Equity Securities	\$ 1,188,322	\$ 1,188,322	\$	\$
Marketable Debt Securities	486,660	486,660		
Mutual Funds	1,770,759	1,770,759		
Certificates of Deposit	<u>553,959</u>	<u>553,959</u>		
Total	<u>\$ 3,999,699</u>	<u>\$ 3,999,699</u>	<u>\$</u>	<u>\$</u>
 <u>August 31, 2017</u>				
Investments:				
Marketable Equity Securities	\$ 1,012,522	\$ 1,012,522	\$	\$
Marketable Debt Securities	535,064	535,064		
Mutual Funds	1,859,211	1,859,211		
Certificates of Deposit	<u>606,151</u>	<u>606,151</u>		
Total	<u>\$ 4,012,948</u>	<u>\$ 4,012,948</u>	<u>\$</u>	<u>\$</u>

5. Beneficial Interest in Assets Held by Others

The Joel M. Hobby, Jr. Endowment Fund for the Raleigh Rescue Mission with the Triangle Community Foundation and the Raleigh Rescue Mission Endowment with the North Carolina Community Foundation were created under agency endowment agreements with the foundations. Under these agreements, the Foundations have the power to modify any restrictions or conditions if such restrictions or conditions become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundations. Upon request by the Organization, a percentage of the endowment funds (currently 5%) may be distributed annually for operating expenses and the corpus remains permanently restricted.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Notes To Combined Financial Statements
August 31, 2018 and 2017

5. Beneficial Interest in Assets Held by Others (Continued)

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>August 31, 2018</u>				
Beneficial Interest in Assets Held by Others:				
Triangle Community Foundation	\$ 16,989	\$	\$ 16,989	\$
North Carolina Community Foundation	<u>17,099</u>	<u> </u>	<u>17,099</u>	<u> </u>
Total	<u>\$ 34,088</u>	<u>\$</u>	<u>\$ 34,088</u>	<u>\$</u>
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>August 31, 2017</u>				
Beneficial Interest in Assets Held by Others:				
Triangle Community Foundation	\$ 16,691	\$	\$ 16,691	\$
North Carolina Community Foundation	<u>16,067</u>	<u> </u>	<u>16,067</u>	<u> </u>
Total	<u>\$ 32,758</u>	<u>\$</u>	<u>\$ 32,758</u>	<u>\$</u>

6. Concentration of Credit Risk

The Organizations maintain cash balances at several financial institutions located in Raleigh, North Carolina. The balances in the financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 at August 31, 2018 and 2017. The Organizations' uninsured cash balances totaled \$89,838 and \$1,980 at August 31, 2018 and 2017, respectively.

7. Lease Commitments

The Mission leases office equipment and the thrift shop location under non-cancelable operating lease agreements that expire at various times through May 2021. The Mission also rented various pieces of equipment and parking spaces for staff on a month-to-month basis during 2018 and 2017. Lease expense totaled \$242,969 and \$230,295 for the years ended August 31, 2018 and 2017, respectively.

Future minimum lease payments under non-cancelable leases at August 31, 2018 are as follows:

<u>Year Ending August 31</u>	
2019	\$ 210,959
2020	212,986
2021	<u>161,033</u>
	<u>\$ 584,978</u>

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Notes To Combined Financial Statements
August 31, 2018 and 2017

8. Temporarily Restricted Net Assets

Temporarily restricted net assets are as follows:

	<u>2018</u>	<u>2017</u>
Grants	\$ 5,250	\$ 7,500
Capital Campaign	25,449	
Endowment Fund	<u>2,208,756</u>	<u>2,598,756</u>
Total	<u>\$ 2,239,455</u>	<u>\$ 2,606,256</u>

9. Permanently Restricted Net Assets

Permanently restricted net assets are as follows:

	<u>2018</u>	<u>2017</u>
Endowment Fund	\$ 36,511	\$ 36,511
Endowment Fund--Community Foundations	<u>32,326</u>	<u>32,326</u>
Total	<u>\$ 68,837</u>	<u>\$ 68,837</u>

10. Endowment Fund

The Organization's endowment fund provides long-term support to the Mission through annual contributions. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of North Carolina enacted the North Carolina (NC) Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective March 2009, the provisions of which apply to endowment funds existing on or established after that date. Absent donor stipulations to the contrary, the provisions of this state law do not impose either a permanent or temporary restriction on the income or capital appreciation derived from the original gifts.

For the years ended August 31, 2018 and 2017, the Organizations have classified as permanently restricted net assets the original value of gifts donated to the permanent endowment. Gains and losses will be classified as unrestricted net assets until those amounts are appropriated for expenditure by the Organizations in a manner consistent with the standard of prudence described in UPMIFA.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Notes To Combined Financial Statements
August 31, 2018 and 2017

10. Endowment Fund (Continued)

Changes in endowment assets for the year ended August 31, 2018 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets at September 1, 2017	\$ 920,016	\$ 2,598,756	\$ 68,837	\$ 3,587,609
Investment Return:				
Investment Income	48,149			48,149
Net Appreciation (Realized and Unrealized)	278,129			278,129
Total Investment Return	<u>326,278</u>			<u>326,278</u>
Contributions				
Amounts Appropriated for Expenditure	<u>(48,149)</u>	<u>(390,000)</u>		<u>(438,149)</u>
Endowment Net Assets at August 31, 2018	<u>\$ 1,198,145</u>	<u>\$ 2,208,756</u>	<u>\$ 68,837</u>	<u>\$ 3,475,738</u>

Changes in endowment assets for the year ended August 31, 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets at September 1, 2016	\$ 747,045	\$ 2,798,756	\$ 68,837	\$ 3,614,638
Investment Return:				
Investment Income	50,827			50,827
Net Appreciation (Realized and Unrealized)	172,971			172,971
Total Investment Return	<u>223,798</u>			<u>223,798</u>
Contributions				
Amounts Appropriated for Expenditure	<u>(50,827)</u>	<u>(200,000)</u>		<u>(250,827)</u>
Endowment Net Assets at August 31, 2017	<u>\$ 920,016</u>	<u>\$ 2,598,756</u>	<u>\$ 68,837</u>	<u>\$ 3,587,609</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organizations to retain as a fund of perpetual duration. At August 31, 2018 and 2017, there were no such deficiencies.

Investment Return Objectives and Strategies

The Organization's investment policies include several investment objectives relative to its long-term investments, including permanent endowment funds. These objectives include (1) preservation of capital, (2) prudent investment of capital, (3) production of reasonable earnings and (4) low-risk growth in principal of invested capital. To achieve these objectives, the Organizations have employed the investment strategy of diversifying with two different investment advisors. The investment composition at any given time is dependent upon a number of factors, including the amount available for investment and current market conditions.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organizations have a policy of appropriating for distribution each year the net earnings from investments. In establishing this policy, the Organizations considered the long-term expected return on its endowment. Accordingly, the Organizations expect the current spending policy to sustain its endowment and investment return objectives.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Notes To Combined Financial Statements
August 31, 2018 and 2017

11. Supplemental Disclosure of Noncash Investing Activities

The Mission received noncash donations with the following estimated fair market values:

	2018	2017
Noncash Program Support	\$ 1,173,282	\$ 1,620,344
Office Supplies		12,192
Supplies--Resident and Medical		10,102
Total	\$ 1,173,282	\$ 1,642,638

12. Retirement Plan

The Mission has a defined contribution 401(k) plan available to all employees who have completed one year of service and are at least twenty-one years old. Employees may contribute to the plan, subject to IRS limitations. The Mission may, at its discretion, contribute a percentage of the employee's salary to the 401(k) plan on an annual basis. As of August 31, 2018, the Mission did not accrue a contribution to the plan. As of August 31, 2017, the Mission accrued an estimated contribution to the plan of 3% of eligible payroll in the amount of \$56,335. During the year for the year ended August 31, 2018 the Mission elected not to make the accrued retirement contribution for the year ended August 31, 2017 due to the unexpected decline in contributions. As a result of this change in accounting estimate, employee benefits for the year ended August 31, 2018 were reduced by the prior year accrual amount of \$56,335.

13. Board Designated Funds

In October 2001, the Board of Directors set a policy to try and maintain cash and cash equivalents equal to at least three months of operating expenses. Three months of operating expenses were estimated to be \$ 1,221,000 and \$1,222,000 at August 31, 2018 and 2017, respectively.

14. Commitments and Contingencies

Housing Program Agreement

The Mission received \$300,000 from the Federal Home Loan Bank of Atlanta in 2006 as part of an affordable housing program agreement. The Mission must meet certain requirements of the program for fifteen years. If these requirements are not met, the Mission could be required to repay a portion or all of these funds. At the present time, the Mission has fulfilled the terms of the agreement.

15. Subsequent Events

Subsequent events have been evaluated through November 29, 2018, which is the date the combined financial statements were available to be issued.

16. Reclassifications

Certain reclassifications have been made to the 2017 combined financial statements to conform with the 2018 presentation. Such reclassifications had no effect on the changes in net assets or cash flows as previously reported.

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Combining Schedule of Financial Position
August 31, 2018

	ASSETS			
	<u>Mission</u>	<u>Foundation</u>	<u>Inter-Organization Eliminations</u>	<u>Combined</u>
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 523,471	\$	\$	\$ 523,471
Accrued Interest Receivable	2,212	6,817		9,029
Investments	370,779			370,779
Accounts Receivable	17,613			17,613
Grants Receivable	5,250			5,250
Prepaid Expenses	57,437	1,167		58,604
Inventory	55,278			55,278
Inter-Organization Receivable	438,150		(438,150)	
Total Current Assets	<u>1,470,190</u>	<u>7,984</u>	<u>(438,150)</u>	<u>1,040,024</u>
PROPERTY AND EQUIPMENT:				
Land	52,359			52,359
Buildings	4,016,593			4,016,593
Leasehold Improvements	37,693			37,693
Equipment, Furniture, and Fixtures	376,678			376,678
Vehicles	204,335			204,335
Total	<u>4,687,658</u>			<u>4,687,658</u>
Less Accumulated Depreciation	<u>2,651,792</u>			<u>2,651,792</u>
Net Property and Equipment	<u>2,035,866</u>			<u>2,035,866</u>
OTHER ASSETS:				
Investments		3,628,920		3,628,920
Beneficial Interests in Assets held by Others	34,088			34,088
Land Held for Investment	1,293,665			1,293,665
Cash Restricted for Long Term Investment		246,338		246,338
Cash Surrender Value of Life Insurance	35,809			35,809
Total Other Assets	<u>1,363,562</u>	<u>3,875,258</u>		<u>5,238,820</u>
 Total Assets	 <u>\$ 4,869,618</u>	 <u>\$ 3,883,242</u>	 <u>\$ (438,150)</u>	 <u>\$ 8,314,710</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts Payable and Accrued Expenses	\$ 261,006	\$ 1,680	\$	\$ 262,686
Inter-Organization Payable		438,150	(438,150)	
Total Current Liabilities	<u>261,006</u>	<u>439,830</u>	<u>(438,150)</u>	<u>262,686</u>
NET ASSETS:				
Unrestricted	4,545,587	1,198,145		5,743,732
Temporarily Restricted	30,699	2,208,756		2,239,455
Permanently Restricted	32,326	36,511		68,837
Total Net Assets	<u>4,608,612</u>	<u>3,443,412</u>		<u>8,052,024</u>
 Total Liabilities and Net Assets	 <u>\$ 4,869,618</u>	 <u>\$ 3,883,242</u>	 <u>\$ (438,150)</u>	 <u>\$ 8,314,710</u>

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Combining Schedule of Financial Position
August 31, 2017

	ASSETS			
	Mission	Foundation	Inter-Organization Eliminations	Combined
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 621,016	\$	\$	\$ 621,016
Accrued Interest Receivable	1,830	7,423		9,253
Investments	378,930			378,930
Grants Receivable	7,500			7,500
Prepaid Expenses	103,024	1,246		104,270
Inventory	42,428			42,428
Inter-Organization Receivable	249,102		(249,102)	
Total Current Assets	<u>1,403,830</u>	<u>8,669</u>	<u>(249,102)</u>	<u>1,163,397</u>
PROPERTY AND EQUIPMENT:				
Land	52,359			52,359
Buildings	3,992,464			3,992,464
Leasehold Improvements	37,693			37,693
Equipment, Furniture, and Fixtures	339,260			339,260
Vehicles	204,335			204,335
Total	<u>4,626,111</u>			<u>4,626,111</u>
Less Accumulated Depreciation	<u>2,470,717</u>			<u>2,470,717</u>
Net Property and Equipment	<u>2,155,394</u>			<u>2,155,394</u>
OTHER ASSETS:				
Investments		3,634,018		3,634,018
Beneficial Interests in Assets held by Others	32,758			32,758
Land Held for Investment	1,293,665			1,293,665
Cash Restricted for Long Term Investment		163,299		163,299
Cash Surrender Value of Life Insurance	32,953			32,953
Total Other Assets	<u>1,359,376</u>	<u>3,797,317</u>		<u>5,156,693</u>
Total Assets	<u>\$ 4,918,600</u>	<u>\$ 3,805,986</u>	<u>\$ (249,102)</u>	<u>\$ 8,475,484</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts Payable and Accrued Expenses	\$ 206,062	\$ 1,601	\$	\$ 207,663
Inter-Organization Payable		249,102	(249,102)	
Total Current Liabilities	<u>206,062</u>	<u>250,703</u>	<u>(249,102)</u>	<u>207,663</u>
NET ASSETS:				
Unrestricted	4,672,712	920,016		5,592,728
Temporarily Restricted	7,500	2,598,756		2,606,256
Permanently Restricted	32,326	36,511		68,837
Total Net Assets	<u>4,712,538</u>	<u>3,555,283</u>		<u>8,267,821</u>
Total Liabilities and Net Assets	<u>\$ 4,918,600</u>	<u>\$ 3,805,986</u>	<u>\$ (249,102)</u>	<u>\$ 8,475,484</u>

COMBINING SCHEDULE OF ACTIVITES
2018

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Combining Schedule of Activities
For The Year Ended August 31, 2018

	Mission			Foundation	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted
CHANGES IN NET ASSETS:					
SUPPORT AND REVENUE:					
Public Support:					
Cash Contributions	\$ 3,573,228	\$ 25,449	\$	\$ 3,598,677	\$
Bequests and Planned Giving	40,510			40,510	
Noncash Contributions	1,173,282			1,173,282	
Special Events	69,645			69,645	
Grant Income	636,622	7,000		643,622	
Total Public Support	<u>5,493,287</u>	<u>32,449</u>		<u>5,525,736</u>	
Program Service Revenue:					
Thrift Store Sales	578,470			578,470	
	<u>578,470</u>			<u>578,470</u>	
Other Revenue:					
Increase in Cash Surrender Value of Life Insurance	2,856			2,856	
Investment Income	7,102			7,102	326,278
Other Income	13,631			13,631	
Loss on Property Disposition	(1,702)			(1,702)	
Net Assets Released From Restrictions:					
Satisfaction of Restrictions	9,250	(9,250)			390,000
Total Other Revenue	<u>31,137</u>	<u>(9,250)</u>		<u>21,887</u>	<u>716,278</u>
Total Support and Revenue	<u>6,102,894</u>	<u>23,199</u>		<u>6,126,093</u>	<u>716,278</u>
EXPENSES:					
Program Service:					
Men, Women, and Children Ministries	4,877,196			4,877,196	
Supporting Services:					
Management and General	439,539			439,539	438,149
Fundraising	913,284			913,284	
Total Supporting Services	<u>1,352,823</u>			<u>1,352,823</u>	<u>438,149</u>
Total Expenses	<u>6,230,019</u>			<u>6,230,019</u>	<u>438,149</u>
CHANGES IN NET ASSETS	(127,125)	23,199		(103,926)	278,129
NET ASSETS--Beginning of Year	<u>4,672,712</u>	<u>7,500</u>	<u>32,326</u>	<u>4,712,538</u>	<u>920,016</u>
NET ASSETS--End of Year	<u>\$ 4,545,587</u>	<u>\$ 30,699</u>	<u>\$ 32,326</u>	<u>\$ 4,608,612</u>	<u>\$ 1,198,145</u>

Temporarily Restricted	Permanently Restricted	Total	Inter- Organization Eliminations	Combined			
				Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$	\$	\$	\$ (436,375)	\$ 3,136,853	\$ 25,449	\$	\$ 3,162,302
				40,510			40,510
				1,173,282			1,173,282
				69,645			69,645
				636,622	7,000		643,622
			(436,375)	5,056,912	32,449		5,089,361
				578,470			578,470
				578,470			578,470
				2,856			2,856
		326,278		333,380			333,380
				13,631			13,631
				(1,702)			(1,702)
(390,000)				399,250	(399,250)		
(390,000)		326,278		747,415	(399,250)		348,165
(390,000)		326,278	(436,375)	6,382,797	(366,801)		6,015,996
				4,877,196			4,877,196
		438,149	(436,375)	441,313			441,313
				913,284			913,284
		438,149	(436,375)	1,354,597			1,354,597
		438,149	(436,375)	6,231,793			6,231,793
(390,000)		(111,871)		151,004	(366,801)		(215,797)
2,598,756	36,511	3,555,283		5,592,728	2,606,256	68,837	8,267,821
\$ 2,208,756	\$ 36,511	\$ 3,443,412	\$	\$ 5,743,732	\$ 2,239,455	\$ 68,837	\$ 8,052,024

COMBINING SCHEDULE OF ACTIVITIES
2017

THE RALEIGH RESCUE MISSION, INC.
and
THE RALEIGH RESCUE MISSION FOUNDATION, INC.
Combining Schedule of Activities
For The Year Ended August 31, 2017

	Mission			Foundation	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted
CHANGES IN NET ASSETS:					
SUPPORT AND REVENUE:					
Public Support:					
Cash Contributions	\$ 3,574,107	\$	\$	\$ 3,574,107	\$
Bequests and Planned Giving	102,263			102,263	
Noncash Contributions	1,642,638			1,642,638	
Special Events	87,251			87,251	
Grant Income	642,005	10,000		652,005	
Total Public Support	<u>6,048,264</u>	<u>10,000</u>		<u>6,058,264</u>	
Program Service Revenue:					
Thrift Store Sales	666,738			666,738	
	<u>666,738</u>			<u>666,738</u>	
Other Revenue:					
Increase in Cash Surrender Value of Life Insurance	1,091			1,091	
Investment Income	8,577			8,577	223,798
Other Income	13,052			13,052	
Net Assets Released From Restrictions:					
Satisfaction of Restrictions	15,500	(15,500)			200,000
Total Other Revenue	<u>38,220</u>	<u>(15,500)</u>		<u>22,720</u>	<u>423,798</u>
Total Support and Revenue	<u>6,753,222</u>	<u>(5,500)</u>		<u>6,747,722</u>	<u>423,798</u>
EXPENSES:					
Program Service:					
Men, Women, and Children Ministries	5,299,522			5,299,522	
Supporting Services:					
Management and General	399,364			399,364	250,827
Fundraising	1,039,059			1,039,059	
Total Supporting Services	<u>1,438,423</u>			<u>1,438,423</u>	<u>250,827</u>
Total Expenses	<u>6,737,945</u>			<u>6,737,945</u>	<u>250,827</u>
CHANGES IN NET ASSETS	15,277	(5,500)		9,777	172,971
NET ASSETS--Beginning of Year	<u>4,657,435</u>	<u>13,000</u>	<u>32,326</u>	<u>4,702,761</u>	<u>747,045</u>
NET ASSETS--End of Year	<u>\$ 4,672,712</u>	<u>\$ 7,500</u>	<u>\$ 32,326</u>	<u>\$ 4,712,538</u>	<u>\$ 920,016</u>

Temporarily Restricted	Permanently Restricted	Total	Inter- Organization Eliminations	Combined			
				Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$	\$	\$	\$ (249,102)	\$ 3,325,005	\$	\$	\$ 3,325,005
				102,263			102,263
				1,642,638			1,642,638
				87,251			87,251
				642,005	10,000		652,005
			(249,102)	5,799,162	10,000		5,809,162
				666,738			666,738
				666,738			666,738
		223,798		1,091			1,091
				232,375			232,375
				13,052			13,052
(200,000)				215,500	(215,500)		
(200,000)		223,798		462,018	(215,500)		246,518
(200,000)		223,798	(249,102)	6,927,918	(205,500)		6,722,418
				5,299,522			5,299,522
		250,827	(249,102)	401,089			401,089
				1,039,059			1,039,059
		250,827	(249,102)	1,440,148			1,440,148
		250,827	(249,102)	6,739,670			6,739,670
(200,000)		(27,029)		188,248	(205,500)		(17,252)
2,798,756	36,511	3,582,312		5,404,480	2,811,756	68,837	8,285,073
<u>\$ 2,598,756</u>	<u>\$ 36,511</u>	<u>\$ 3,555,283</u>	<u>\$</u>	<u>\$ 5,592,728</u>	<u>\$ 2,606,256</u>	<u>\$ 68,837</u>	<u>\$ 8,267,821</u>