



MIAMI RESCUE MISSION, INC.
AND SUBSIDIARY

Consolidated Financial Statements
With Independent Auditors' Report

June 30, 2024 and 2023

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Miami Rescue Mission, Inc. and Subsidiary
Miami, Florida

Opinion

We have audited the accompanying consolidated financial statements of Miami Rescue Mission, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Miami Rescue Mission, Inc. and Subsidiary as of June 30, 2024 and 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Miami Rescue Mission, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

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

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

Board of Directors
Miami Rescue Mission, Inc. and Subsidiary
Miami, Florida

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 Miami Rescue Mission, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami Rescue Mission, Inc. and Subsidiary'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.

Capin Crouse LLP

Lawrenceville, Georgia
October 25, 2024

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statements of Financial Position

	June 30,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 1,793,956	\$ 4,269,435
Inventory	1,265,179	927,538
Grants receivable	309,183	198,520
Prepaid expenses and other assets	558,704	389,943
Investments	7,917,963	7,732,008
Property held for sale	333,789	-
Property and equipment—net	15,293,521	15,657,698
Total Assets	\$ 27,472,295	\$ 29,175,142
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 443,762	\$ 514,312
Refundable advance	1,000,000	1,000,000
Total liabilities	1,443,762	1,514,312
Net assets:		
Without donor restrictions:		
Undesignated	10,045,914	11,344,611
Net investment in property and equipment	15,293,521	15,657,698
	25,339,435	27,002,309
With donor restrictions:		
Restricted for purpose or time	664,098	633,521
Restricted in perpetuity	25,000	25,000
Total net assets	26,028,533	27,660,830
Total Liabilities and Net Assets	\$ 27,472,295	\$ 29,175,142

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Activities

Year Ended June 30, 2024

		With Donor Restrictions		
	Without Donor Restrictions	Restricted for Purpose or Time	Restricted in Perpetuity	Total
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 5,443,985	\$ 30,577	\$ -	\$ 5,474,562
Gifts-in-kind	5,595,283	-	-	5,595,283
	<u>11,039,268</u>	<u>30,577</u>	<u>-</u>	<u>11,069,845</u>
Revenue:				
Rent gifted to other entities	406,320	-	-	406,320
Gain on sale of property held for sale	491,327	-	-	491,327
Sales of donated items	578,221	-	-	578,221
Program services	387,121	-	-	387,121
Government grants	1,599,118	-	-	1,599,118
Investment income	593,395	-	-	593,395
Other	330,241	-	-	330,241
	<u>4,385,743</u>	<u>-</u>	<u>-</u>	<u>4,385,743</u>
Total Support and Revenue	<u>15,425,011</u>	<u>30,577</u>	<u>-</u>	<u>15,455,588</u>
RECLASSIFICATIONS:				
Net assets released for satisfaction of purpose restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES:				
Program services:				
Miami-Dade	7,292,247	-	-	7,292,247
Broward	3,565,374	-	-	3,565,374
Industrial, warehouse, and stores	1,554,444	-	-	1,554,444
	<u>12,412,065</u>	<u>-</u>	<u>-</u>	<u>12,412,065</u>

(continued)

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Activities

(continued)

Year Ended June 30, 2024

		With Donor Restrictions		
	Without Donor Restrictions	Restricted for Purpose or Time	Restricted in Perpetuity	Total
EXPENSES, continued:				
Supporting activities:				
Management and general	1,829,995	-	-	1,829,995
Fundraising	2,845,825	-	-	2,845,825
	<u>4,675,820</u>	<u>-</u>	<u>-</u>	<u>4,675,820</u>
Total Expenses	<u>17,087,885</u>	<u>-</u>	<u>-</u>	<u>17,087,885</u>
Change in Net Assets	(1,662,874)	30,577	-	(1,632,297)
Net Assets, Beginning of Year	<u>27,002,309</u>	<u>633,521</u>	<u>25,000</u>	<u>27,660,830</u>
Net Assets, End of Year	<u>\$ 25,339,435</u>	<u>\$ 664,098</u>	<u>\$ 25,000</u>	<u>\$ 26,028,533</u>

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Activities

Year Ended June 30, 2023

		With Donor Restrictions		
	Without Donor Restrictions	Restricted for Purpose or Time	Restricted in Perpetuity	Total
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 6,734,766	\$ 45,051	\$ -	\$ 6,779,817
Gifts-in-kind	7,530,545	-	-	7,530,545
	<u>14,265,311</u>	<u>45,051</u>	<u>-</u>	<u>14,310,362</u>
Revenue:				
Rent gifted to other entities	886,320	-	-	886,320
Gain on sale of property held for sale	3,714,309	-	-	3,714,309
Sales of donated items	691,592	-	-	691,592
Program services	290,201	-	-	290,201
Government grants	1,252,551	-	-	1,252,551
Investment income	149,180	-	-	149,180
Other	329,669	-	-	329,669
	<u>7,313,822</u>	<u>-</u>	<u>-</u>	<u>7,313,822</u>
Total Support and Revenue	<u>21,579,133</u>	<u>45,051</u>	<u>-</u>	<u>21,624,184</u>
RECLASSIFICATIONS:				
Net assets released for satisfaction of purpose restrictions	154,779	(154,779)	-	-
EXPENSES:				
Program services:				
Miami-Dade	8,793,453	-	-	8,793,453
Broward	5,275,365	-	-	5,275,365
Industrial, warehouse, and stores	1,739,824	-	-	1,739,824
	<u>15,808,642</u>	<u>-</u>	<u>-</u>	<u>15,808,642</u>

(continued)

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Activities

(continued)

Year Ended June 30, 2023

	Without Donor	With Donor Restrictions		
	Restrictions	Purpose or Time	Restricted in Perpetuity	Total
EXPENSES, continued:				
Supporting activities:				
Management and general	1,940,801	-	-	1,940,801
Fundraising	3,148,428	-	-	3,148,428
	<u>5,089,229</u>	<u>-</u>	<u>-</u>	<u>5,089,229</u>
Total Expenses	<u>20,897,871</u>	<u>-</u>	<u>-</u>	<u>20,897,871</u>
Change in Net Assets	836,041	(109,728)	-	726,313
Net Assets, Beginning of Year	<u>26,166,268</u>	<u>743,249</u>	<u>25,000</u>	<u>26,934,517</u>
Net Assets, End of Year	<u>\$ 27,002,309</u>	<u>\$ 633,521</u>	<u>\$ 25,000</u>	<u>\$ 27,660,830</u>

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services			Supporting Activities				Total
	Miami-Dade	Broward	Industrial, Warehouse, and Stores	Total Program Services	Management and General	Fundraising	Total Supporting Activities	
Specific aid to individuals, contract payment, grants to other agencies	\$ 3,376,605	\$ 1,740,587	\$ 643,918	\$ 5,761,110	\$ -	\$ 190,024	\$ 190,024	\$ 5,951,134
Salaries and benefits	1,728,874	982,143	612,896	3,323,913	1,142,392	587,608	1,730,000	5,053,913
Facilities	1,105,745	429,185	48,879	1,583,809	191,847	-	191,847	1,775,656
Utilities	468,729	177,159	31,249	677,137	51,348	6,153	57,501	734,638
Equipment	202,802	65,516	29,581	297,899	39,436	37,200	76,636	374,535
Transportation	173,403	56,211	137,079	366,693	22,742	11,574	34,316	401,009
Postage and delivery	136	1,650	64	1,850	1,095	1,367,075	1,368,170	1,370,020
Advertising and promotion	1,164	1,011	9,250	11,425	2,573	411,037	413,610	425,035
Professional services	113,223	60,810	18,134	192,167	317,486	161,163	478,649	670,816
All other expenses	121,566	51,102	23,394	196,062	61,076	73,991	135,067	331,129
Total Expenses	<u>\$ 7,292,247</u>	<u>\$ 3,565,374</u>	<u>\$ 1,554,444</u>	<u>\$ 12,412,065</u>	<u>\$ 1,829,995</u>	<u>\$ 2,845,825</u>	<u>\$ 4,675,820</u>	<u>\$ 17,087,885</u>

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services				Supporting Activities			Total
	Miami-Dade	Broward	Industrial, Warehouse, and Stores	Total Program Services	Management and General	Fundraising	Total Supporting Activities	
Specific aid to individuals, contract payment, grants to other agencies	\$ 4,916,382	\$ 2,560,247	\$ 700,918	\$ 8,177,547	\$ -	\$ 221,392	\$ 221,392	\$ 8,398,939
Salaries and benefits	1,778,381	1,133,823	666,600	3,578,804	1,310,838	709,025	2,019,863	5,598,667
Facilities	1,090,908	979,486	85,135	2,155,529	190,434	-	190,434	2,345,963
Utilities	463,377	175,643	43,423	682,443	47,649	6,289	53,938	736,381
Equipment	168,667	68,504	27,910	265,081	70,008	35,783	105,791	370,872
Transportation	167,712	64,631	150,741	383,084	26,122	14,218	40,340	423,424
Postage and delivery	107	3,000	31	3,138	918	1,315,901	1,316,819	1,319,957
Advertising and promotion	24	528	4,880	5,432	-	481,826	481,826	487,258
Professional services	97,708	243,480	17,758	358,946	224,727	175,931	400,658	759,604
All other expenses	110,187	46,023	42,428	198,638	70,105	188,063	258,168	456,806
Total Expenses	<u>\$ 8,793,453</u>	<u>\$ 5,275,365</u>	<u>\$ 1,739,824</u>	<u>\$15,808,642</u>	<u>\$ 1,940,801</u>	<u>\$ 3,148,428</u>	<u>\$ 5,089,229</u>	<u>\$20,897,871</u>

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,632,297)	\$ 726,313
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	597,926	596,058
Realized and unrealized loss on investments	(593,395)	102,381
Gain on sale of property and equipment	(491,327)	(3,714,309)
Changes in operating assets and liabilities:		
Inventory	(337,641)	206,157
Grants receivable	(110,663)	587,717
Prepaid expenses and other assets	(168,761)	44,989
Accounts payable and accrued expenses	(70,550)	35,797
Agency funds	-	(12,716)
Net Cash Used by Operating Activities	<u>(2,806,708)</u>	<u>(1,427,613)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(634,443)	(3,513,207)
Proceeds from sales of property and equipment	558,232	7,376,678
Proceeds from sales of investments	455,401	6,189,519
Purchases of investments	(47,961)	(5,678,453)
Net Cash Provided (Used) by Investing Activities	<u>331,229</u>	<u>4,374,537</u>
Net Change in Cash and Cash Equivalents	(2,475,479)	2,946,924
Cash and Cash Equivalents, Beginning of Year	<u>4,269,435</u>	<u>1,322,511</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,793,956</u>	<u>\$ 4,269,435</u>
SUPPLEMENTAL DISCLOSURES:		
Reclassification of property held for sale	<u>\$ 333,789</u>	<u>\$ -</u>

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION:

Miami Rescue Mission, Inc. (MRM) was organized in 1976, as a Florida nonprofit corporation which is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code) and comparable state law. Contributions to MRM are deductible from income taxes within the limitations prescribed by the Code. MRM is not a private foundation under Section 509(a)(2) of the Code. MRM is a charitable, interdenominational, evangelical, Christian agency providing spiritual, physical, and social services to the poor and needy, including homeless men, women, and children. Its purposes are fulfilled through several centers in Miami-Dade and Broward counties.

MRM is one of the oldest and largest providers of vital services to the homeless and needy in the south Florida community. MRM started in 1922 by a couple from Ohio that wanted to share the love of God with people in need in Miami. Until 1993, the primary geographical focus for its services and ministry was Miami-Dade County. Broward County was looking for solutions to their homeless problem and looked to MRM for assistance. This was the beginning of the Broward Outreach Center (BOC). BOC was launched, providing basic temporal relief to homeless individuals in the south Broward community through leased and owned property. A permanent Hollywood facility (Hollywood Center) was completed in 1997, providing the first emergency shelter and comprehensive recovery program for the homeless in the southern portion of the county. This Center is owned by MRM.

BOC expanded to better serve single women, women with children, and families. The Hollywood Center for Women and Children (the Center) was opened in August of 2004. The Center is located adjacent to the initial Hollywood Center. It is owned by MRM and is designed to provide services for 45 women (either single or with children). Programs include parenting, skills development, computer literacy, education, job placement, budgeting, and assistance with housing.

In Miami-Dade County, there are two residential centers (the Center for Men and the Center for Women and Children), the nonresidential Miami Community Activity Center (CAC), the Tew Education Center, and the Miami Rescue Mission Clinic, Inc. (MRMC).

The Center for Men provides 313 beds for programs, which include emergency services, long-term care, and transitional housing. Before the COVID-19 pandemic, approximately 190 men per day were involved in an 8 to 14 month intensive program of education, counseling, discipleship training, career preparedness, and job entry called the Regeneration Program. There is also a program for Hispanics that are challenged by the English language called Vidas Cambiadas (Changed Lives). On average, an additional 200 to 350 people (those not in our residential or emergency programs) per day are provided with a shower, change of clothes, and dinner. These men and women are either homeless, very economically challenged, or food insecure.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION, continued:

The Center for Women and Children serves homeless women and single mothers with small children. A comprehensive program is designed to equip the women to become successful, contributing members of society through classes, computer education, work skills training, and biblical principles. Those with children are instructed toward becoming loving, supportive mothers to their children through coping and parenting skills. Volunteers provide special classes in financial management and other practical personal skills including social skills and dressing for the work place. The Center for Women and Children is currently in transition and a larger facility is being prepared for occupancy.

The CAC was opened in November 2001 to provide preventative programs for children and youth in the Overtown area. The goal is to prepare children to become successful in life and to prevent the next generation of homeless. Use of this center is donated to a separate private non-profit school, CARE Elementary School (see Note 2), which uses the facility to provide education for grades PreK-5th grade, after-school programs, and summer remediation, with the combined programs serving 100-150 children each year.

The Miami Jeffrey A. Tew Education Center houses the Innovative Computer Learning and Career Development departments which are utilized by all Miami residents. The Center opened in 1997 with the goal of improving students' education by improving their skills in reading, writing, and math, and obtaining a High School Diploma / GED. Students are also taught basic computer skills, including common office applications.

In 2009, the MRMC was opened to serve our residents and underserved populations. The MRMC is our partner, but is a separate non-profit organization that rents an MRM-owned facility at rates substantially below market. The MRMC has been instrumental in assisting clients, staff, and volunteers with COVID-19 and other valuable testing and education. The MRMC utilizes tele-medicine in order to help the residents and remain as safe as possible. The clinic also helps with medicine management and provides referrals to clients that help them navigate the medical landscape.

MRM operates a thrift store named the Bargain Barn. The store provides merchandise for sale such as clothing, appliances, furniture, bric-a-brac, etc. Donated items are picked up by MRM's fleet of trucks. Many donated items are put into direct use by the Centers (furniture, paint, clothing, appliances); the remaining items are sold to help fund homeless programs. The Bargain Barn is a place to help train residents for future employment. MRM hires many of the men and women who complete the residential programs with 35 percent of staff being formerly homeless.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION, continued:

The Centers in Miami and Hollywood hold special events throughout the year to care for the homeless and needy as well as a tool to engage the homeless to enroll in the residential programs. These include the Great Thanksgiving Banquet, Thanksgiving in April, Bombastic Birthday Party, Back to School, the Great Christmas Outreach, and many other activities for men, women and children. Volunteers provide many wonderful and valuable services from serving meals, doing special drives, becoming mentors or tutors, dress for success, personal makeovers, special work days to improve the facilities and so much more. Due to the COVID-19 pandemic, many of the public outdoor events we would normally do have become drive-thru events. Instead of having outdoor sit-down meals, food boxes, toys, hygiene products, and more were safely distributed to families as well as homeless men, women, and children. Approximately 15,000 men, women, and children were helped during these events.

During 2009, MRM began its external transitional housing program. This program is designed to provide graduates the next step in integrating fully into society. MRM now owns 9 properties (four in Broward, five in Miami-Dade). MRM has concentrated on purchasing distressed properties and utilizing their staff and clients to renovate them. Transitional housing residents are MRM homeless program graduates and are selected based on merit and need. Residents pay program fees. Case management is available to residents to help them secure long-term affordable housing and work through personal issues. MRM desires to increase the number of transitional housing units and seeks additional funding from present donors or other resources to accomplish this goal.

MRM has three radio programs, "Mission Possible: The Good News Program," "LifeStyle Changers" and "Life-Changers." Mission Possible airs from 8AM to 9AM on 610AM WIOD, a large talk-radio station that reaches from Palm Beach to Monroe County. The program highlights what is good in the community and includes interviews with other non-profit agencies, businesses, individuals, or organizations which are doing good things in the community. Life-Changers, which started in September 2009, is a half-hour program that airs on LifeFM (Christian station) at 9:30AM on Sundays with a format similar to Mission Possible but is geared to the faith community.

MRM, which started in 1922 with a horse and covered wagon, will be rebranded to be collectively known as "The Caring Place." MRM has continued to change through the decades to meet the needs of homeless people, but has kept its spiritual foundation to serve God and man based upon Judeo-Christian values for one hundred years.

Miami Mission Association, Inc. (MMA) is a Florida nonprofit corporation. MRM assumed the operation of MMA's women's and children's center beginning on July 1, 1993. MMA is exempt from income taxes under Section 501(c)(3) of the Code and comparable state laws. MMA is also classified as a publicly supported organization, which is not a private foundation under section 509(a)(2) of the Code. Contributions to MMA are deductible for income tax purposes.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION, continued:

MRM receives the majority of support from Florida individuals, corporations, churches, foundations and civic organizations, thrift store sales of donated items, and governmental grants. MRM is not affiliated with any church denomination but seeks to represent the church in its mandated service to share the gospel of Jesus Christ and to share God's love to those who are often the least, the last, and the lost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States (GAAP). The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

USE OF ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the balances and financial activities of MRM and MMA (collectively referred to as the Organization). All significant intercompany transactions and balances have been eliminated from the consolidated financial statements.

CASH AND CASH EQUIVALENTS

The Organization considers cash on hand, bank checking accounts, money markets, and certificates of deposit with original maturities of three months or less to be cash and cash equivalents. The Organization maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents. At June 30, 2024 and 2023, the Organization's cash balances exceeded federally insured limits by \$1,341,652 and \$3,603,828, respectively.

INVENTORY

Inventory is stated at the lower of cost (based on the average cost basis) or net realizable value and consists of thrift store donated goods, donated food, and donated vehicles. At June 30, 2024 and 2023, no reserve for obsolescence has been recorded, as management believes all inventory is sellable.

Thrift store donated goods consists of goods and donated merchandise such as clothing and miscellaneous items used in the operation of the Organization's programs and for sale in the thrift stores or as part of the auto auctions. Donated goods inventory is based on cost when sold which approximates fair value of the goods. The ending inventory amount is calculated using a formula based on that used by other rescue ministries and is based on a percentage of total thrift store sales for each location.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

GRANTS RECEIVABLE

Grants receivable consist primarily of BOC project costs incurred but not yet reimbursed.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value. Other investments are reported at the lower of cost or fair value. Interest and dividend income and the realized and unrealized gain or loss on investments is reported as investment income (loss) without donor restrictions in the accompanying consolidated statements of activities unless a donor or law restricts its use. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Donated investments are recorded at fair value at the date of donation and are thereafter carried in conformity with the stated policy.

PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost, or if donated, at estimated fair value on the date of receipt. Items purchased with governmental funds greater than \$5,000 are capitalized and depreciated over their estimated useful lives. All other nongovernmental purchases of property and equipment greater than \$1,000 are capitalized and depreciated over their estimated useful lives. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 4 to 32 years.

PROPERTY HELD FOR SALE

During the year ended June 30, 2024, the board of the Organization committed to a plan to sell certain pieces of property located in Pompano Beach, Florida that was expected to be sold within one year. The properties were available immediately for sale and actively marketed at prices that were reasonable in relation to current fair market value. Fair market value was determined to be approximately \$1,700,000 based on comparative listings.

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available for operations under the direction of the board, designated by the board for a specific use, or invested in property and equipment, net of accumulated depreciation.

Net assets with donor restrictions for purpose or time are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, for the acquisition of property and equipment, or not currently available for use until commitments regarding their use have been fulfilled.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS, continued

Net assets with donor restrictions in perpetuity are those which are contributed with donor restrictions requiring that they be held in perpetuity with the investment income (loss) earned to be used to fund scholarships. Assets funding these agreements are included as part of cash and cash equivalents. The disclosures required by the *Reporting Endowment Funds* topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) have not been included in the consolidated financial statements due to immateriality.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

A portion of the Organization's revenue is derived from cost-reimbursable county contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. Program, investment, and other revenue are recognized when earned.

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications.

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Gifts-in-kind consists primarily of donated food, clothing, and general merchandise used in the Organization's operations or for sale in the thrift store. Gifts-in-kind are valued using estimated fair value (fair value approximating estimated wholesale value estimated by the Organization using like-kind analyses), have no donor restrictions on them and are utilized substantially within the same year as the donation was made. Sales of donated items consist primarily of vehicle and thrift store sales.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Gifts-in-kind expenses are reported in the accompanying consolidated statements of functional expenses under program services, primarily as supplies and other services, as well as specific assistance to individuals. The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include salaries and benefits, depreciation, facilities operations, and other expenses. Salaries and benefits are allocated based on the programmatic purpose of the employees incurring the expenses. All other costs are allocated based on a square footage analysis of the Organization's facilities. The Organization incurred no joint costs. All costs associated with publications are charged directly to fundraising.

GIFTS-IN-KIND

The programs of the Organization could not be fully achieved without the dedicated efforts of many volunteers. Churches, synagogues, businesses, clubs, youth groups, students, and individuals give of their time and talents to help the homeless. They serve meals, conduct chapel services, tutor children, teach classes, and help maintain the facilities. None of these donated services are reported as support and revenue and expenses on the IRS Form 990.

Donated services are reported as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the years ended June 30, 2024 and 2023, donated services meeting the criteria for recognition in the accompanying consolidated statements of activities totaled \$18,461 and \$46,829, respectively, and include legal, pastoral, counseling, education, and master chef services.

RENT GIFTED TO OTHER ENTITIES

The Organization allows the use of its Hollywood Center to an independent third party (see Note 1) recognized at the fair value of the gifted rent. The third party is under no control or obligation to the Organization. For the years ended June 30, 2024 and 2023, the fair value of the gifted rent totaled \$0 and \$480,000, respectively.

The Organization allows the use of its facilities to CARE Elementary School (see Note 12) recognized at the fair value of the gifted rent. CARE Elementary School is under no control or obligation to the Organization. For both years ended June 30, 2024 and 2023, the fair value of the gifted rent was \$315,000.

The Organization allows the use of its facilities to Miami Rescue Mission Clinic, Inc. (MRMC) (see Note 12) recognized at the fair value of the gifted rent. MRMC is under no control or obligation to the Organization. For both the years ended June 30, 2024 and 2023, the fair value of the gifted rent was \$91,320.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities to achieve its mission and vision as well as the conduct of services undertaken to support those activities to be general expenditures.

	June 30,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 1,793,956	\$ 4,269,435
Grants receivable	309,183	198,520
Investments	7,917,963	7,732,008
Financial assets, at year-end	10,021,102	12,199,963
Less those not available for general expenditure within one year:		
Net assets restricted in perpetuity	(25,000)	(25,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,996,102</u>	<u>\$ 12,174,963</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At June 30, 2024, the Organization has \$664,098 in net assets with donor restrictions for various purposes including project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purposes.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

4. INVESTMENTS:

Investments consist of the following:

	June 30,	
	2024	2023
Held at cost:		
Cash and cash equivalents	\$ 1,129,930	\$ 1,130,896
Held at fair value:		
Corporate and government bonds	3,481,727	3,314,084
Index linked funds	880,077	1,077,028
Mutual funds	2,426,229	2,210,000
	<u>6,788,033</u>	<u>6,601,112</u>
	<u>\$ 7,917,963</u>	<u>\$ 7,732,008</u>

5. INVENTORY:

Inventory consists of the following:

	June 30,	
	2024	2023
Donated food	\$ 1,204,709	\$ 868,934
Thrift store donated goods	57,602	57,602
Donated vehicles	2,868	1,002
	<u>\$ 1,265,179</u>	<u>\$ 927,538</u>

6. OTHER ASSETS:

Other assets consist of the following:

	June 30,	
	2024	2023
Prepaid insurance	\$ 489,563	\$ 317,167
Refundable deposits	49,329	49,700
Other	19,812	23,076
	<u>\$ 558,704</u>	<u>\$ 389,943</u>

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

7. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of the following:

	June 30,	
	2024	2023
Land	\$ 4,764,626	\$ 4,916,523
Buildings and improvements	19,554,774	19,508,779
Vehicles and equipment	2,597,407	3,096,433
	<u>26,916,807</u>	<u>27,521,735</u>
Less accumulated depreciation	(11,691,605)	(11,865,703)
Construction in progress	<u>68,319</u>	<u>1,666</u>
Net investment in property and equipment	<u>\$ 15,293,521</u>	<u>\$ 15,657,698</u>

8. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	June 30,	
	2024	2023
Restricted for purpose or time:		
Girlfriend for girlfriends	\$ 278,770	\$ 268,304
Rise	208,615	188,504
Roger Brummitt project	74,507	74,507
Broward assessment center	68,096	68,096
Broward child activity center	18,259	18,259
Fund for ReadingRoom	7,569	7,569
Batchelor Foundation grant	7,023	7,023
Veterans funding from Veterans	<u>1,259</u>	<u>1,259</u>
	<u>\$ 664,098</u>	<u>\$ 633,521</u>
Restricted in perpetuity:		
Learning Center scholarship fund	<u>\$ 25,000</u>	<u>\$ 25,000</u>

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

9. SALES OF DONATED ITEMS:

Sales of donated items consist of the following:

	Year Ended June 30,	
	2024	2023
General merchandise	\$ 568,121	\$ 658,292
Vehicles	10,100	33,300
	<u>\$ 578,221</u>	<u>\$ 691,592</u>

10. COMMITMENTS AND CONTINGENCIES:

CONTINGENT LIABILITIES

The City of Miami, Florida authorized a loan in the amount of \$298,299 to the Organization for the acquisition of land and construction of new buildings. The loan is noninterest bearing and secured by a mortgage. So long as the Organization continues to provide a last resort facility, payments on this loan will be waived.

Approximately \$900,000 of the buildings reported in Note 7 were funded with Community Development Block Grant (CDBG) federal awards, to assist with the construction costs of the BOC. Buildings acquired with CDBG funds and no longer needed for the originally authorized purpose are subject to certain federal restrictions and requirements should these buildings ever be disposed of by the Organization.

Refundable advance relates to a grant received from the Federal Home Loan Bank Affordable Housing Program of Atlanta (FHLB) in the amount of \$1,000,000 during the fiscal year ended June 30, 2014, to assist with the purchase and/or rehabilitation of 78 multifamily rental units in the Miami, Florida area. Construction was completed during the fiscal year ended June 30, 2014. Per the agreement between the Organization and the FHLB, if the Organization were to sell the property within 15 years of receiving the grant money, the Organization would be required to return the grant to the FHLB. Therefore, the Organization has deferred recognizing the grant as revenue until the 15 year period has lapsed.

11. RETIREMENT PLANS:

MRM has established a 403(b) retirement plan (the Plan). MRM contributes to the Plan on behalf of all full-time employees participating through elective salary deductions. MRM matches employee contributions equal to 3% of elective deferrals, up to 100% of eligible pay. Employees are eligible for the Plan if they are at least 18 years old and have completed 90 days of service. Participants become fully vested after five years of services. For the years ended June 30, 2024 and 2023, employer contributions to the Plan totaled \$51,011 and \$53,849, respectively.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

11. RETIREMENT PLANS, continued:

MRM has established a qualified 457(b) deferred compensation plan (the 457 Plan) for the benefit of the president and those employees listed as a director. The 457 Plan allows eligible employees to contribute to the 457 Plan and to direct the investment of their funds into professionally managed investment funds. MRM matches one dollar for every dollar contributed by the employee based on length of service, matching up to 4% of wages for one to three years of service; matching up to 6% of wages between three and five years of service; and matching up to 8% of wages for more than five years of service. For the years ended June 30, 2024 and 2023, employer contributions to the 457 Plan totaled \$48,381 and \$51,257, respectively. The funds for the 457 Plan are held in trust in separate accounts and are invested by the president and those employees listed as directors. The assets related to the 457 Plan are not included in the accompanying consolidated statements of financial position as MRM has no ongoing control over these assets.

12. RELATED PARTY TRANSACTIONS:

The Organization contracts with MRMC to provide health services for clients of the Organization. Certain board members of MRMC are on the board of the Organization. During both years ended June 30, 2024 and 2023, the Organization expended \$300,000 to MRMC.

The Organization allows the use of its facilities to CARE Elementary School (CARE). Certain board members of CARE are on the board of the Organization. During both years ended June 30, 2024 and 2023, the Organization donated \$315,000, in gifted rent to CARE.

The Organization allows the use of its facilities to Miami Rescue Mission Clinic, Inc. (MRMC) (see Note 2) recognized at the fair value of the gifted rent. MRMC is under no control or obligation to the Organization. For both years ended June 30, 2024 and 2023, the fair value of the gifted rent was \$91,320.

A member of the board of directors is also employed with a certain financial institution where MRM holds certain cash and investments. The total of cash and investments held with this certain financial institution was \$7,367,683 and \$8,325,325 as of June 30, 2024 and 2023, respectively.

13. FAIR VALUE MEASUREMENTS:

The *Fair Value* topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 and Level 2 inputs were not available.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

13. FAIR VALUE MEASUREMENTS, continued:

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy at June 30, 2024 and 2023:

		June 30, 2024			
		Total	(Level 1)	(Level 2)	(Level 3)
Investments, at fair value:					
Bonds:					
Corporate/government	\$	3,481,727	\$ -	\$ 3,481,727	\$ -
Index linked funds:					
Insurance annuity		880,077	-	880,077	-
Mutual funds:					
Income/growth		2,426,229	2,426,229	-	-
	\$	<u>6,788,033</u>	<u>\$ 2,426,229</u>	<u>\$ 4,361,804</u>	<u>\$ -</u>
		June 30, 2023			
		Total	(Level 1)	(Level 2)	(Level 3)
Investments, at fair value:					
Bonds:					
Corporate/government	\$	3,314,084	\$ -	\$ 3,314,084	\$ -
Index linked funds:					
Insurance annuity		1,077,028	-	1,077,028	-
Mutual funds:					
Income/growth		2,210,000	2,210,000	-	-
	\$	<u>6,601,112</u>	<u>\$ 2,210,000</u>	<u>\$ 4,391,112</u>	<u>\$ -</u>

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

13. FAIR VALUE MEASUREMENTS, continued:

Valuation techniques used by the Organization in estimating fair value are as follows:

Bonds—The fair values are based on quoted prices for similar assets in active markets; quoted prices for identical or similar markets that are not active; and inputs other than quoted prices e.g., interest rates and yield curves.

Mutual funds—The fair value of these financial instruments is based upon quoted market prices or dealer quotes in an active market.

Equities—The fair value of these financial instruments is based upon quoted market prices or dealer quotes in an active market.

Index linked funds—The fair values are based on quoted prices for similar assets in active markets; quoted prices for identical or similar markets that are not active; and inputs other than quoted prices e.g., interest rates and yield curves.

Changes in valuation techniques—None.

14. GIFTS-IN-KIND:

Gifts-in-kind for the years ended June 30, 2024 and 2023, included in the consolidated financial statements were as follows:

	Year Ended June 30,	
	2024	2023
Food services	\$ 3,245,764	\$ 3,800,923
Case management	1,315,441	2,527,104
Donated items sold in thrift store	641,665	691,220
Other	392,413	511,298
	<u>\$ 5,595,283</u>	<u>\$ 7,530,545</u>

15. CONCENTRATIONS:

During the years ended June 30, 2024 and 2023, two and one donor(s), respectively, contributed 14% and 15%, respectively, of total contributions. The implications of this are understood by the Organization.

16. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 25, 2024, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.