



MIAMI RESCUE MISSION, INC.
AND SUBSIDIARY

Consolidated Financial Statements
With Independent Auditor's Report

June 30, 2025 and 2024

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

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INDEPENDENT AUDITOR'S 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, 2025 and 2024, 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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

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



Lawrenceville, Georgia
November 14, 2025

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statements of Financial Position

	June 30,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 2,371,283	\$ 1,793,956
Inventory	1,121,357	1,265,179
Grants receivable	191,748	309,183
Prepaid expenses and other assets	474,977	558,704
Investments	7,947,571	7,917,963
Property held for sale	-	333,789
Property and equipment—net	15,870,565	15,293,521
Total Assets	<u>\$ 27,977,501</u>	<u>\$ 27,472,295</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,104,516	\$ 443,762
Refundable advance	1,000,000	1,000,000
Total liabilities	<u>2,104,516</u>	<u>1,443,762</u>
Net assets:		
Without donor restrictions:		
Undesignated	9,711,566	10,045,914
Net investment in property and equipment	15,870,565	15,293,521
	<u>25,582,131</u>	<u>25,339,435</u>
With donor restrictions:		
Restricted for purpose or time	265,854	664,098
Restricted in perpetuity	25,000	25,000
Total net assets	<u>25,872,985</u>	<u>26,028,533</u>
Total Liabilities and Net Assets	<u>\$ 27,977,501</u>	<u>\$ 27,472,295</u>

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions		Total
		Restricted for Purpose or Time	Restricted in Perpetuity	
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 6,396,694	\$ 628,500	\$ -	\$ 7,025,194
Contributions of non-financial assets	6,624,460	-	-	6,624,460
	<u>13,021,154</u>	<u>628,500</u>	<u>-</u>	<u>13,649,654</u>
Revenue:				
Rent gifted to other entities	406,320	-	-	406,320
Gain on sale of property held for sale	1,267,474	-	-	1,267,474
Sales of donated items	499,065	-	-	499,065
Program services	444,929	-	-	444,929
Government grants	1,978,951	-	-	1,978,951
Investment income	544,445	-	-	544,445
Other	271,598	-	-	271,598
	<u>5,412,782</u>	<u>-</u>	<u>-</u>	<u>5,412,782</u>
Total Support and Revenue	<u>18,433,936</u>	<u>628,500</u>	<u>-</u>	<u>19,062,436</u>
RECLASSIFICATIONS:				
Net assets released for satisfaction of purpose restrictions	<u>1,026,744</u>	<u>(1,026,744)</u>	<u>-</u>	<u>-</u>
EXPENSES:				
Program services:				
Miami–Dade	8,859,361	-	-	8,859,361
Broward	4,244,352	-	-	4,244,352
Industrial, warehouse, and stores	1,348,559	-	-	1,348,559
	<u>14,452,272</u>	<u>-</u>	<u>-</u>	<u>14,452,272</u>

(continued)

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Activities (continued)

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions		Total
		Restricted for Purpose or Time	Restricted in Perpetuity	
EXPENSES, continued:				
Supporting activities:				
Management and general	1,851,852	-	-	1,851,852
Fundraising	2,913,860	-	-	2,913,860
	<u>4,765,712</u>	<u>-</u>	<u>-</u>	<u>4,765,712</u>
Total Expenses	<u>19,217,984</u>	<u>-</u>	<u>-</u>	<u>19,217,984</u>
Change in Net Assets	242,696	(398,244)	-	(155,548)
Net Assets, Beginning of Year	<u>25,339,435</u>	<u>664,098</u>	<u>25,000</u>	<u>26,028,533</u>
Net Assets, End of Year	<u>\$ 25,582,131</u>	<u>\$ 265,854</u>	<u>\$ 25,000</u>	<u>\$ 25,872,985</u>

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Consolidated Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		Restricted for Purpose or Time	Restricted in Perpetuity	
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 5,443,985	\$ 30,577	\$ -	\$ 5,474,562
Contributions of non-financial assets	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	7,232,783	-	-	7,232,783
Broward	3,624,838	-	-	3,624,838
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

	Without Donor Restrictions	With Donor Restrictions		Total
		Restricted for Purpose or Time	Restricted in Perpetuity	
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 Functional Expenses

Year Ended June 30, 2025

	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	\$ 4,558,783	\$ 2,298,158	\$ 514,365	\$ 7,371,306	\$ 168	\$ 110,994	\$ 111,162	\$ 7,482,468
Salaries and benefits	1,780,580	881,185	551,189	3,212,954	1,199,753	680,429	1,880,182	5,093,136
Facilities	1,410,508	552,952	72,286	2,035,746	151,056	5,937	156,993	2,192,739
Utilities	455,447	170,517	30,310	656,274	72,532	6,087	78,619	734,893
Equipment	272,539	187,007	31,245	490,791	35,166	66,652	101,818	592,609
Transportation	216,718	58,750	126,256	401,724	28,106	9,339	37,445	439,169
Postage and delivery	71	1,169	88	1,328	641	1,276,439	1,277,080	1,278,408
Advertising and promotion	1,475	1,427	106	3,008	2,461	433,073	435,534	438,542
Professional services	126,862	64,567	8,415	199,844	315,398	288,844	604,242	804,086
All other expenses	36,378	28,620	14,299	79,297	46,571	36,066	82,637	161,934
Total Expenses	<u>\$ 8,859,361</u>	<u>\$ 4,244,352</u>	<u>\$ 1,348,559</u>	<u>\$14,452,272</u>	<u>\$ 1,851,852</u>	<u>\$ 2,913,860</u>	<u>\$ 4,765,712</u>	<u>\$19,217,984</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			
			Industrial, Warehouse, and Stores	Total Program Services	Management and General	Fundraising	Total Supporting Activities	Total
	Miami-Dade	Broward						
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	1,143,652	523,938	55,044	1,722,634	195,005	16,497	211,502	1,934,136
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	24,195	15,813	17,229	57,237	57,918	57,494	115,412	172,649
Total Expenses	<u>\$ 7,232,783</u>	<u>\$ 3,624,838</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 Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (155,548)	\$ (1,632,297)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	598,673	597,926
Realized and unrealized gain on investments	(182,732)	(593,395)
Gain on sale of property and equipment	(1,267,474)	(491,327)
Changes in operating assets and liabilities:		
Inventory	143,822	(337,641)
Grants receivable	117,435	(110,663)
Prepaid expenses and other assets	83,727	(168,761)
Accounts payable and accrued expenses	660,754	(70,550)
Net Cash Used by Operating Activities	<u>(1,343)</u>	<u>(2,806,708)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,057,901)	(634,443)
Proceeds from sales of property and equipment	1,483,447	558,232
Proceeds from sales of investments	435,656	455,401
Purchases of investments	(282,532)	(47,961)
Net Cash Provided by Investing Activities	<u>578,670</u>	<u>331,229</u>
Net Change in Cash and Cash Equivalents	577,327	(2,475,479)
Cash and Cash Equivalents, Beginning of Year	<u>1,793,956</u>	<u>4,269,435</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,371,283</u>	<u>\$ 1,793,956</u>
SUPPLEMENTAL DISCLOSURES:		
Reclassification of property held for sale	<u>\$ -</u>	<u>\$ 333,789</u>

See notes to consolidated financial statements

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

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. MRM currently has approximately 140 beds for men and 26 beds for women available for its Regeneration program. The program is a 12 to 14 month intensive program of education, counseling, career preparedness, job entry and discipleship. All who are involved in the program and successfully complete the requirements are honored at an annual graduation ceremony and a percentage of the graduates find employment at the Miami Rescue Mission while others move on to other career and education paths.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

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, 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 with our clients and staff administering health care in both Miami and Broward facilities on a day to day basis. The clinic also helps with medication management, health education classes for clients and provides referrals to clients that help them navigate the medical landscape. The MRMC utilizes tele-medicine in order to help the residents and remain as safe as possible.

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, 2025 and 2024

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. MRM organizes outreach events for our clients and community members in need. These events include both indoor and outdoor sit-down meals, food box distributions, hygiene product giveaways, back-to-school supplies, toy distributions, and more. We aim to serve homeless men, women, and children, as well as others in need throughout the community. Each year, approximately 15,000 individuals—including men, women, and children—receive support and vital resources through 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 seven properties (two 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, 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.

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.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

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, 2025 and 2024, the Organization's cash balances exceeded federally insured limits by approximately \$2,120,000 and \$1,340,000, 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, 2025 and 2024, 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.

GRANTS RECEIVABLE

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

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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. During the year ended June 30, 2025, the properties were sold for substantially the same amount as they had been marketed.

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, 2025 and 2024

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.

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, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

Sales of donated items and program services (which consists of food stamps income and transitional housing fees from residents and graduates) are recognized at a point in time when the obligation to provide the goods or services is transferred.

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.

CONTRIBUTIONS OF NON-FINANCIAL ASSETS

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, 2025 and 2024, donated services meeting the criteria for recognition in the accompanying consolidated statements of activities totaled \$9,984 and \$18,461, respectively, and include legal, pastoral, counseling, education, and master chef services.

RENT GIFTED TO OTHER ENTITIES

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, 2025 and 2024, 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, 2025 and 2024, the fair value of the gifted rent was \$91,320.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of June 30, 2025 and 2024, 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,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 2,371,283	\$ 1,793,956
Grants receivable	191,748	309,183
Investments	7,947,571	7,917,963
Financial assets, at year-end	10,510,602	10,021,102
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>\$ 10,485,602</u>	<u>\$ 9,996,102</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, 2025 and 2024, the Organization has \$265,854 and \$664,098, respectively, 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, 2025 and 2024

4. INVESTMENTS:

Investments consist of the following:

	June 30,	
	2025	2024
Held at cost:		
Cash and cash equivalents	\$ 1,067,020	\$ 1,129,930
Held at fair value:		
Corporate and government bonds	5,191,496	3,481,727
Index linked funds	820,781	880,077
Mutual funds	868,274	2,426,229
	<u>6,880,551</u>	<u>6,788,033</u>
	<u>\$ 7,947,571</u>	<u>\$ 7,917,963</u>

5. INVENTORY:

Inventory consists of the following:

	June 30,	
	2025	2024
Donated food	\$ 1,072,332	\$ 1,204,709
Thrift store donated goods	42,647	57,602
Donated vehicles	6,378	2,868
	<u>\$ 1,121,357</u>	<u>\$ 1,265,179</u>

6. PREPAID EXPENSES AND OTHER ASSETS:

Prepaid expenses and other assets consist of the following:

	June 30,	
	2025	2024
Prepaid insurance	\$ 396,216	\$ 489,563
Refundable deposits	51,812	49,329
Other	26,949	19,812
	<u>\$ 474,977</u>	<u>\$ 558,704</u>

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

7. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of the following:

	June 30,	
	2025	2024
Land	\$ 4,916,523	\$ 4,764,626
Buildings and improvements	19,738,049	19,554,774
Vehicles and equipment	3,408,509	2,597,407
	28,063,081	26,916,807
Less accumulated depreciation	(12,966,279)	(11,691,605)
Construction in progress	773,763	68,319
Net investment in property and equipment	<u>\$ 15,870,565</u>	<u>\$ 15,293,521</u>

8. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	June 30,	
	2025	2024
Restricted for purpose or time:		
Communities Activity Center	\$ 100,000	\$ -
Broward assessment center	68,096	68,096
Education	55,000	-
Furniture purchases	24,499	-
Broward child activity center	18,259	18,259
Girlfriend for girlfriends	-	278,770
Rise	-	208,615
Roger Brummitt project	-	74,507
Fund for ReadingRoom	-	7,569
Batchelor Foundation grant	-	7,023
Veterans funding from Veterans	-	1,259
	<u>\$ 265,854</u>	<u>\$ 664,098</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, 2025 and 2024

9. SALES OF DONATED ITEMS:

Sales of donated items consist of the following:

	Year Ended June 30,	
	2025	2024
General merchandise	\$ 467,365	\$ 568,121
Vehicles	31,700	10,100
	<u>\$ 499,065</u>	<u>\$ 578,221</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, 2025 and 2024, employer contributions to the Plan totaled \$42,951 and \$51,011, respectively.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

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, 2025 and 2024, employer contributions to the 457 Plan totaled \$61,859 and \$48,381, 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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024, 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 \$8,261,856 and \$7,367,683 as of June 30, 2025 and 2024, 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, 2025 and 2024

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, 2025 and 2024:

	Total	June 30, 2025		
		(Level 1)	(Level 2)	(Level 3)
Investments, at fair value:				
Bonds:				
Corporate/government	\$ 5,191,496	\$ -	\$ 5,191,496	\$ -
Index linked funds:				
Insurance annuity	820,781	-	820,781	-
Mutual funds:				
Income/growth	868,274	868,274	-	-
		<u>\$ 868,274</u>	<u>\$ 6,012,277</u>	<u>\$ -</u>
Reconciling items at cost:				
Cash and cash equivalents	1,067,020			
	<u>\$ 7,947,571</u>			
	Total	June 30, 2024		
		(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>\$ 2,426,229</u>	<u>\$ 4,361,804</u>	<u>\$ -</u>
Reconciling items at cost:				
Cash and cash equivalents	1,129,930			
	<u>\$ 7,917,963</u>			

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

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.

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. CONTRIBUTIONS OF NON-FINANCIAL ASSETS:

Contributions of non-financial assets for the years ended June 30, 2025 and 2024, included in the consolidated financial statements were as follows:

	Year Ended June 30,	
	2025	2024
Food services	\$ 4,229,059	\$ 3,245,764
Case management	1,556,104	1,315,441
Donated items sold in thrift store	511,760	641,665
Other	327,537	392,413
	<u>\$ 6,624,460</u>	<u>\$ 5,595,283</u>

15. CONCENTRATIONS:

During the years ended June 30, 2025 and 2024, two donors contributed 11% and 14%, respectively, of total contributions. The implications of this are understood by the Organization.

MIAMI RESCUE MISSION, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

16. EMPLOYEE RETENTION CREDIT:

For the year ended June 30, 2025, the Organization claimed \$868,276 under the Employee Retention Credit (ERC) which was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This claim is included in contributions in the consolidated statements of activities. Laws and regulations concerning government programs, including the ERC, are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization. Subsequent to the date of these consolidated financial statements, the Organization received an additional \$1,604,407.

17. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 14, 2025, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.