



Financial Statements

(With Supplementary Financial Information)

**For the Year Ended
December 31, 2024**

SK

SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

Rescue Ministries of Mid-Michigan

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CERTIFIED PUBLIC ACCOUNTANTS

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A VETERAN OWNED BUSINESS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rescue Ministries of Mid-Michigan
Saginaw, MI

Opinion

We have audited the accompanying financial statements of **Rescue Ministries of Mid-Michigan** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Rescue Ministries of Mid-Michigan** as of December 31, 2024, and the changes in its net assets and its cash flows for the year 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 Financial Statements section of our report. We are required to be independent of **Rescue Ministries of Mid-Michigan** 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Rescue Ministries of Mid-Michigan's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it

exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of *Rescue Ministries of Mid-Michigan's* internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about *Rescue Ministries of Mid-Michigan'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.

Supplementary Information

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

Smith + Klaychewicz PC

Saginaw, Michigan

April 18, 2025

Rescue Ministries of Mid-Michigan
Statement of Financial Position
December 31, 2024

<u>Assets</u>	
Current assets	
Cash	\$ 1,898,925
Investments	550,504
Accounts receivable	274,426
Pledge receivable	13,654
Prepaid expense	32,475
Inventory	600
Total current assets	<u>2,770,584</u>
Noncurrent assets	
Capital assets	15,414,094
Less: accumulated depreciation	<u>(5,599,415)</u>
Total noncurrent assets	<u>9,814,679</u>
Total Assets	<u><u>\$ 12,585,263</u></u>
<u>Liabilities and Net Assets</u>	
Current liabilities	
Accounts payable	\$ 230,386
Accrued expenses	<u>73,805</u>
Total current liabilities	<u>304,191</u>
Noncurrent liabilities	
Accrued compensated absences	64,092
Land contract	45,000
FHLB Loan	<u>1,250,000</u>
Total noncurrent liabilities	<u>1,359,092</u>
Total liabilities	1,663,283
Net assets	
Without donor restrictions	
Undesignated	10,221,980
Designated by the Board - Capital Improvements	700,000
With donor restrictions	<u>-</u>
Total net assets	<u>10,921,980</u>
Total Liabilities and Net Assets	<u><u>\$ 12,585,263</u></u>

The accompanying notes are an integral part of these financial statements.

Rescue Ministries of Mid-Michigan
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating			
Revenues, gains and other support			
Contributions	\$ 3,736,902	\$ -	\$ 3,736,902
Special events	335,687	-	335,687
Donated materials	982,188	-	982,188
Legacies and bequests	206,235	-	206,235
Grants from governmental agencies			
Federal grants	262,818	-	262,818
State and local grants	1,126,397	-	1,126,397
Program service fees	6,031	-	6,031
Investment income (loss)	85,614	-	85,614
Baling income	9,300	-	9,300
Rent from investment property, net of direct costs	54,037	-	54,037
Net assets released from restrictions	323,077	(323,077)	-
Total revenues, gains and other support	7,128,286	(323,077)	6,805,209
Expenses			
Program services			
City Rescue Mission Mens Emergency Shelter	1,052,940	-	1,052,940
Discipleship Program	313,756	-	313,756
City Rescue Mission Womens Emergency Shelter	1,277,623	-	1,277,623
Impact Designs	515,391	-	515,391
Good Samaritan Rescue Mission Mens Emergency Shelter	890,669	-	890,669
Good Samaritan Rescue Mission Womens Emergency Shelter	857,823	-	857,823
Samaritan Youth Shelter	622,249	-	622,249
Higher Purpose	61,131	-	61,131
Total program services	5,591,582	-	5,591,582
Supporting services			
Management and general	457,594	-	457,594
Fundraising	460,743	-	460,743
Total supporting services	918,337	-	918,337
Total expenses	6,509,919	-	6,509,919
Increase in net assets from operating activities	618,367	(323,077)	295,290
Nonoperating			
Gain (loss) on sale of capital assets	(4,586)	-	(4,586)
Insurance proceeds	3,074	-	3,074
Change in Net Assets	616,855	(323,077)	293,778
Net Assets, Beginning	10,305,125	323,077	10,628,202
Net Assets, Ending	\$ 10,921,980	\$ -	\$ 10,921,980

The accompanying notes are an integral part of these financial statements.

Rescue Ministries of Mid-Michigan
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services					
	City Rescue Mission Mens Emergency Shelter	Discipleship Program	City Rescue Mission Womens Emergency Shelter	Impact Designs	Good Samaritan Rescue Mission Mens Emergency Shelter	Good Samaritan Rescue Mission Womens Emergency Shelter
Salaries	\$ 358,929	\$ 106,349	\$ 465,279	\$ 132,937	\$ 286,926	\$ 278,231
Fringe benefits	69,375	20,556	89,931	25,695	54,008	52,372
Payroll taxes	26,088	7,730	33,818	9,662	20,848	20,216
Total salaries and related expense	454,392	134,635	589,028	168,294	361,782	350,819
Professional services	73,498	21,777	95,276	27,222	100,766	97,713
Building maintenance	9,846	2,250	10,408	2,813	12,169	11,801
Client services	6,236	2,079	6,236	6,236	4,428	4,428
Development and public education	83,401	24,711	108,113	30,889	45,163	40,491
Dues, licenses and services	17,273	5,758	17,273	17,273	15,353	15,353
Food and kitchen supplies	25,565	8,522	25,565	25,565	18,844	18,844
Insurance	25,099	5,737	26,533	7,171	10,206	9,897
Bank and other fees	11,567	2,644	12,228	3,305	2,532	2,456
Miscellaneous	37	8	39	11	-	-
Office supplies	7,061	2,092	9,153	2,615	3,812	3,697
Operating supplies	7,940	1,815	8,394	2,269	5,486	5,320
Donated materials	161,383	53,794	161,383	161,383	177,698	177,698
Postage	4,952	1,467	6,419	1,834	3,133	2,809
Staff training	4,389	1,300	5,689	1,626	555	538
Communication	4,479	1,327	5,807	1,659	2,459	2,385
Utilities	39,713	9,077	41,983	11,347	55,732	54,044
Vehicle operations	3,484	996	2,987	1,991	1,554	1,507
Special events	2,994	1,283	2,994	1,283	3,154	3,154
Other capital costs	29,159	8,640	37,799	10,800	7,206	6,005
Total expenses before depreciation	972,468	289,912	1,173,307	485,586	832,032	808,959
Depreciation	80,472	23,844	104,316	29,805	58,637	48,864
Total expenses	\$ 1,052,940	\$ 313,756	\$ 1,277,623	\$ 515,391	\$ 890,669	\$ 857,823

The accompanying notes are an integral part of these financial statements.

Program Services			Supporting Services			
Samaritan Youth Shelter	Higher Purpose	Total	Management and General	Fundraising	Total	Total
\$ 217,368	\$ 26,517	\$ 1,872,536	\$ 220,387	\$ 132,433	\$ 352,820	\$ 2,225,356
40,916	2,399	355,252	42,289	25,466	67,755	423,007
15,794	3,459	137,615	16,017	9,625	25,642	163,257
274,078	32,375	2,365,403	278,693	167,524	446,217	2,811,620
76,338	375	492,965	42,490	42,490	84,980	577,945
9,219	6,466	64,972	3,251	3,251	6,502	71,474
2,214	1,666	33,523	-	-	-	33,523
38,933	66	371,767	23,232	69,694	92,926	464,693
7,677	16,091	112,051	-	-	-	112,051
9,422	-	132,327	-	-	-	132,327
7,732	614	92,989	5,132	5,132	10,264	103,253
1,919	-	36,651	2,036	2,036	4,072	40,723
-	-	95	5	5	10	105
2,888	-	31,318	3,193	3,193	6,386	37,704
4,156	719	36,099	1,965	1,965	3,930	40,029
88,849	-	982,188	-	-	-	982,188
2,701	-	23,315	1,457	4,371	5,828	29,143
421	-	14,518	1,710	1,710	3,420	17,938
1,863	100	20,079	1,054	3,011	4,065	24,144
42,222	2,375	256,493	14,117	14,117	28,234	284,727
1,413	284	14,216	440	293	733	14,949
6,309	-	21,171	5,293	79,398	84,691	105,862
4,804	-	104,413	14,403	13,202	27,605	132,018
583,158	61,131	5,206,553	398,471	411,392	809,863	6,016,416
39,091	-	385,029	59,123	49,351	108,474	493,503
<u>\$ 622,249</u>	<u>\$ 61,131</u>	<u>\$ 5,591,582</u>	<u>\$ 457,594</u>	<u>\$ 460,743</u>	<u>\$ 809,863</u>	<u>\$ 6,509,919</u>

Rescue Ministries of Mid-Michigan
Statement of Cash Flows
For the Year Ended December 31, 2024

Net cash flows from operating activities	
Change in net assets	\$ 295,290
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	493,503
(Increase) decrease in:	
Receivables	(42,884)
Prepaid expenses	6,165
Increase (decrease) in:	
Accounts payable	10,253
Accrued expenses	25,392
Net cash provided by (used in) operating activities	<u>787,719</u>
Cash flows from capital and related financing activities	
Purchases of property and equipment	<u>(1,332,418)</u>
Cash flows from financing activities	
Purchase of investments	(30,444)
Principal paid on purchase agreement	(15,000)
Net cash provided by (used in) financing activities	<u>(45,444)</u>
Net increase (decrease) in cash	(590,143)
Cash, beginning of year	<u>2,489,068</u>
Cash, end of year	<u><u>\$ 1,898,925</u></u>

The accompanying notes are an integral part of these financial statements.

Rescue Ministries of Mid-Michigan
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 1 – Summary of Significant Accounting Policies

Mission

The *Rescue Ministries of Mid-Michigan* (the “*Organization*”) is a Michigan non-profit corporation whose purpose is to assist, encourage and promote the well being of mankind. This is accomplished by providing food, shelter and instruction for homeless men, women and children at the City Rescue Mission of Saginaw and the Good Samaritan Mission.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization’s significant accounting policies are described below to enhance the usefulness of the financial statements to the readers.

Basis of Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for future capital improvements.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. For the year ended December 31, 2024, there were not net assets with donor restrictions.

Uncertainty for Income Taxes

The Organization has evaluated the provision of ASC Topic 740, *Accounting for Uncertainty in Income Taxes*. The evaluation was performed for the years 2020 through 2024, the years which remain subject to examination by major tax jurisdiction as of year end. The Organization concluded that there are no significant uncertain tax positions requiring recognition in the organization’s financial statements. The Organization does not expect the total amount of unrecognized tax benefits (“UTB”) (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly increase or decrease in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at year end, and it is not aware of any claims for such amounts by federal or state income tax authorities.

Rescue Ministries of Mid-Michigan
Notes to Financial Statements
For the Year Ended December 31, 2024

Fund Accounting

The financial activities of the Organization are accounted for in separate funds, described as follows:

Operating Funds - The operating funds include unrestricted resources, which represent the portion of expendable funds that is available for support of the operations of City Rescue Mission, Good Samaritan Mission and Higher Purpose.

Cash

The Organization considers all cash on hand and deposits (savings and checking accounts) as cash for purposes of the Statement of Cash Flows.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the Statement of Financial Position. Investment income (which includes realized and unrealized gains and losses on investments, interest, dividends, fees, and foreign taxes) is included in the change in unrestricted net assets unless the income or loss is restricted by donor or law.

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Donated Facilities, Services, and Materials

The Organization received donated services from a variety of unpaid volunteers during the year. A dollar valuation of their efforts is not reflected in the financial statements since such services do not meet the criteria for recognition.

The Organization received donated materials, such as food, clothing and furniture that meet recognition requirements during the year. The Organization recognized \$982,188 as the estimated value of these materials in the accompanying financial statements, with a like amount included as other program expenses. The Organization recognizes these donated materials as contributions based upon their estimated fair value on the date received.

Rescue Ministries of Mid-Michigan
Notes to Financial Statements
For the Year Ended December 31, 2024

Promise to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization initially records unconditional promises to give at fair value using the income approach and subsequently amortizes them using the original discount rate. If the original promise to give is due in less than one year it is recorded at net realizable value. All contributions receivable are all due within one year and are deemed fully collectible by management.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid expenses in the financial statements.

Inventory

Inventory consists of property that is held for sale. Donated property is stated at State Equalized Value for the 2024 tax year.

Compensated Absences

It is the Organization's policy to permit employees to accumulate a limited amount of earned but unused vacation days. Employees are allowed to accumulate a maximum amount of hours of annual vacation to which he/she is entitled based upon years of service with the Organization. Upon separation from the Organization, employees will be paid their balance of unused vacation days.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly. Expenses that are common to several functions are allocated by various statistical bases.

Income Tax Status

The ***Rescue Ministries of Mid-Michigan*** is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for Federal income taxes in the accompanying financial statements. In addition, the ***Rescue Ministries of Mid-Michigan*** has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. The Organization files information returns in the U.S. Federal and Michigan jurisdiction.

Rescue Ministries of Mid-Michigan
Notes to Financial Statements
For the Year Ended December 31, 2024

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2024, the most recent statement of financial position presented herein, through the April 18, 2025, the date these financial statement were available to be issued.

Note 2 – Liquidity and Availability of Resources

The *Rescue Ministries of Mid-Michigan* financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$ 1,898,925
Investments	550,504
Accounts receivable	<u>274,426</u>
Total	<u>\$ 2,723,855</u>

As part of the *Rescue Ministries of Mid-Michigan* liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 3 – Capital Assets

Capital assets are recorded at cost or fair market value at the time they are donated. Expenditures for new acquisitions, renewal and betterments, which increase productive capacity or prolong service lives of the property and equipment, are capitalized. Maintenance and repairs, which do not enhance the value or extend the useful life, are expensed as incurred. Depreciation is calculated on the straight-line basis over the estimated useful lives of the respective assets, which range from five to thirty-one years.

Rescue Ministries of Mid-Michigan
Notes to Financial Statements
For the Year Ended December 31, 2024

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 64,921	\$ 12,078	\$ -	\$ 76,999
Construction in progress	<u>20,977</u>	<u>447,491</u>	<u>(165,000)</u>	<u>303,468</u>
Total capital assets not being depreciated	<u>85,898</u>	<u>459,569</u>	<u>(165,000)</u>	<u>380,467</u>
Capital assets being depreciated				
Buildings	12,129,953	985,235	(6,290)	13,108,898
Equipment and furniture	1,609,761	36,354	-	1,646,115
Vehicles	<u>262,354</u>	<u>16,260</u>	<u>-</u>	<u>278,614</u>
Total capital assets being depreciated	14,002,068	1,037,849	(6,290)	15,033,627
Less accumulated depreciation	<u>(5,107,616)</u>	<u>(493,503)</u>	<u>1,704</u>	<u>(5,599,415)</u>
Net capital assets being depreciated	<u>8,894,452</u>	<u>544,346</u>	<u>(4,586)</u>	<u>9,434,212</u>
Total net capital assets	<u>\$ 8,980,350</u>	<u>\$ 1,003,915</u>	<u>\$ (169,586)</u>	<u>\$ 9,814,679</u>

Note 4 – Long-term Debt

Long-term debt activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease purchase	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ 45,000</u>	<u>\$ 25,000</u>

In January 2022, the ***Rescue Ministries of Mid-Michigan*** entered into a purchase agreement for 1131 E. Genesee Ave., Saginaw, MI. The terms of the agreement state that there shall be no interest accrued on the principal balance. The ***Rescue Ministries of Mid-Michigan*** is required to make quarterly payments of not less than \$5,000 per quarter. During the year, the ***Rescue Ministries of Mid-Michigan*** only made 3 payments.

Rescue Ministries of Mid-Michigan
Notes to Financial Statements
For the Year Ended December 31, 2024

Future principal and interest requirements on the purchase agreement is as follows:

<u>Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>
2025	\$ 25,000	-
2026	<u>20,000</u>	<u>-</u>
Total	<u>\$ 45,000</u>	<u>\$ -</u>

Note 5 – Notes Payable and FHLB Loan

In 2016, the Organization obtained a loan from the Federal Home Loan Bank Pittsburgh (“*FHLB Pittsburgh*”). The terms of the FHLB Pittsburgh loan bear 0% interest and there is no payment due on the loan unless the Organization sells or moves from the property located at 713 Ninth Street, Bay City, MI within the next 15 years.

Future principal and interest requirements on the FHLB Pittsburgh loan is as follows:

<u>Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>
2031	<u>\$ 500,000</u>	<u>\$ -</u>

In 2022, the Organization obtained a loan from the Federal Home Loan Bank Pittsburgh (“*FHLB Pittsburgh*”). The terms of the FHLB Pittsburgh loan bear 0% interest and there is no payment due on the loan unless the Organization sells or moves from the property located at 400 N. Madison Ave, Bay City, MI within the next 15 years.

Future principal and interest requirements on the FHLB Pittsburgh loan is as follows:

<u>Year Ending</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>
2037	<u>\$ 750,000</u>	<u>\$ -</u>

Note 6 – Tax Sheltered Annuity Plan

During 1989, the Organization adopted a tax sheltered annuity plan administered through the Equitable Financial Companies to which the Organization will match employee contributions up to five percent (5%) of an employee’s annual wages. The annuity is available to all employees at every level at time of employment with the Organization. During the year ended December 31, 2024, the employer contributed \$53,433 to the plan and employees contributed \$64,834. At December 31, 2024, there were 31 plan members. Plan provisions and contribution requirements are established and may be amended by the Organization’s Board of Directors.

Rescue Ministries of Mid-Michigan

Notes to Financial Statements

For the Year Ended December 31, 2024

Note 7 – Related Party

The Saginaw Shelter for the Homeless, Inc. is a non-profit Michigan corporation whose purpose is to provide financial assistance to homeless shelters and individuals. The Shelter is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Board members, management and accounting personnel of the Saginaw Shelter for the Homeless, Inc. are provided by the ***Rescue Ministries of Mid-Michigan*** and all accounting records are maintained at the ***Rescue Ministries of Mid-Michigan***. While the Shelter's Board members are not appointed by the Organization, there is oversight of and economic interest in the Shelter.

During the year the ***Rescue Ministries of Mid-Michigan*** paid B.E.A.M Industries, Inc. \$468,613 for the purchase of staffing services. B.E.A.M Industries, Inc. is owned by a board member of the ***Rescue Ministries of Mid-Michigan***. These purchases were made on the same terms and conditions as those entered into with other unrelated vendors and service providers.

Note 8 – Revolving Line of Credit

The Organization has a \$600,000 revolving line of credit with a local financial institution. Advances on the credit line are payable on demand and carry an interest rate of 8.00%. The outstanding balance at year-end was \$0 and there was no activity during the year.

Note 9 – Construction Line of Credit

The Organization has a \$750,000 construction line of credit with a local financial institution. Advances on the construction line of credit are payable on demand and carry an interest rate of 4.75%. The outstanding balance at year-end was \$0 and there was no activity during the year.

Note 10 – Endowment Funds

The ***Rescue Ministries of Mid-Michigan*** is the beneficiary of generous donors, which are maintained by three separate outside trustees, the Saginaw County Community Foundation, the Bay Area Community Foundation and Tri-Star Trust Bank. Investment and spending policies for the endowments are in accordance with the Organization's policies. The ***Rescue Ministries of Mid-Michigan*** has determined that their endowment funds are with donor restrictions. The Foundations and the bank maintain unilateral variance power and legal ownership over a portion of the endowment funds; therefore, principal balances of this portion are not reflected in these financial statements. The remaining portion of the endowment funds consists of contributions made by ***Rescue Ministries of Mid-Michigan*** in which ***Rescue Ministries of Mid-Michigan*** is the beneficiary. These funds are reflected in the financial statements. Income from the trust, which consists substantially of interest and dividends, is to be used for operations.

The balance of the endowments was \$667,425 for the year ended December 31, 2024. Of this balance, \$0 was recognized on the Organization's balance sheet as of December 31, 2024.

Rescue Ministries of Mid-Michigan
Notes to Financial Statements
For the Year Ended December 31, 2024

Return Objectives and Risk Parameters

The Organization has adopted a policy to ensure a total return (yield plus capital appreciation) necessary to preserve and enhance (in real dollar terms) the principal of the funds, and at the same time, provide a dependable source of support for current projects of the Organization.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization's return objective is to optimize total real rate of return based on the policies of Saginaw County Community Foundation, Bay Area Community Foundation and Tri-Star Trust Bank.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Saginaw County Community Foundation, Bay Area Community Foundation and Tri-Star Trust Bank spending policy's are governed by the agency agreements with the Foundations and the bank. The amount of money available for distributions from the fund for appropriation and administrative costs is computed annually under each Foundation's spending policy. This is consistent with the Organization's objectives to maintain the purchasing power of the endowment assets and to provide additional real growth through new gifts and investment return.



Rescue Ministries of Mid-Michigan
Statement of Financial Position - By Fund
December 31, 2024

	Without Donor Restrictions			With Donor Restrictions	Total
	City Rescue Mission Funds Operating Fund	Good Samaritan Mission Fund Operating Fund	Higher Purpose		
<u>Assets</u>					
Current assets					
Cash	\$ 1,879,711	\$ 19,214	\$ -	\$ -	\$ 1,898,925
Investments	550,504	-	-	-	550,504
Accounts receivable	120,089	154,337	-	-	274,426
Pledge receivable	6,154	7,500	-	-	13,654
Prepaid expense	14,099	18,376	-	-	32,475
Inventory	600	-	-	-	600
Intra-program receivables	41,111	334,203	12,575	-	387,889
Total current assets	2,612,268	533,630	12,575	-	3,158,473
Noncurrent assets					
Capital assets	9,634,904	5,768,213	10,977	-	15,414,094
Less: accumulated depreciation	(3,993,563)	(1,605,852)	-	-	(5,599,415)
Total noncurrent assets	5,641,341	4,162,361	10,977	-	9,814,679
Total assets	\$ 8,253,609	\$ 4,695,991	\$ 23,552	\$ -	\$ 12,973,152
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable	\$ 146,290	\$ 80,274	\$ 3,822	\$ -	\$ 230,386
Accrued expenses	41,376	27,933	4,496	-	73,805
Intra-program payables	359,258	28,631	-	-	387,889
Total current liabilities	546,924	136,838	8,318	-	692,080
Noncurrent liabilities					
Accrued compensated absences	47,739	16,241	112	-	64,092
Land contract	45,000	-	-	-	45,000
FHLB Loan	-	1,250,000	-	-	1,250,000
Total noncurrent liabilities	92,739	1,266,241	112	-	1,359,092
Total liabilities	639,663	1,403,079	8,430	-	2,051,172
Net assets					
Without donor restrictions					
Undesignated	7,313,946	2,892,912	15,122	-	10,221,980
Designated by the Board	300,000	400,000	-	-	700,000
With donor restrictions	-	-	-	-	-
Total net assets	7,613,946	3,292,912	15,122	-	10,921,980
Total Liabilities and Net Assets	\$ 8,253,609	\$ 4,695,991	\$ 23,552	\$ -	\$ 12,973,152

Rescue Ministries of Mid-Michigan
Statement of Activities - By Fund
For the Year Ended December 31, 2024

	Without Donor Restrictions			With Donor Restrictions	Total
	City Rescue Mission Funds Operating Fund	Good Samaritan Mission Fund Operating Fund	Higher Purpose		
Operating					
Revenues, gains and other support					
Contributions	\$ 2,607,033	\$ 1,075,402	\$ 54,467	\$ -	\$ 3,736,902
Special events	206,516	129,171	-	-	335,687
Donated materials	537,943	444,245	-	-	982,188
Legacies and bequests	156,235	50,000	-	-	206,235
Grants from governmental agencies					
Federal grants	118,164	144,654	-	-	262,818
State and local grants	511,060	615,337	-	-	1,126,397
Program service fees	3,440	2,591	-	-	6,031
Investment income (loss)	85,614	-	-	-	85,614
Baling income	9,300	-	-	-	9,300
Rent from investment property, net of direct costs	-	53,637	400	-	54,037
Net assets released from restrictions	300,000	23,077	-	(323,077)	-
Total revenues, gains and other support	4,535,305	2,538,114	54,867	(323,077)	6,805,209
Expenses					
Program services					
City Rescue Mission Mens Emergency Shelter	1,052,940	-	-	-	1,052,940
Discipleship Program	313,756	-	-	-	313,756
City Rescue Mission Womens Emergency Shelter	1,277,623	-	-	-	1,277,623
Impact Designs	515,391	-	-	-	515,391
Good Samaritan Rescue Mission Mens Emergency Shelter	-	890,669	-	-	890,669
Good Samaritan Rescue Mission Womens Emergency Shelter	-	857,823	-	-	857,823
Samaritan Youth Shelter	-	622,249	-	-	622,249
Higher Purpose	-	-	61,131	-	61,131
Total program services	3,159,710	2,370,741	61,131	-	5,591,582
Supporting services					
Management and general	307,107	150,487	-	-	457,594
Fundraising	304,014	156,729	-	-	460,743
Total supporting services	611,121	307,216	-	-	918,337
Total expenses	3,770,831	2,677,957	61,131	-	6,509,919
Increase (decrease) in net assets from operating activities	764,474	(139,843)	(6,264)	(323,077)	295,290
Nonoperating					
Gain (loss) on sale of capital assets	-	(4,586)	-	-	(4,586)
Transfers in (out)	(55,000)	55,000	-	-	-
Insurance proceeds	3,074	-	-	-	3,074
Change in Net Assets	712,548	(89,429)	(6,264)	(323,077)	293,778
Net assets, beginning	6,841,224	3,382,341	81,560	323,077	10,628,202
Inter-program transfer	60,174	-	(60,174)	-	-
Net assets, ending	\$ 7,613,946	\$ 3,292,912	\$ 15,122	\$ -	\$ 10,921,980

Rescue Ministries of Mid-Michigan
Statement of Cash Flows - By Fund
For the Year Ended December 31, 2024

	Without Donor Restrictions				
	City Rescue Mission Funds Operating Fund	Good Samaritan Mission Fund Operating Fund	Higher Purpose	With Donor Restrictions	Total
Net cash flows from operating activities					
Change in net assets	\$ 764,474	\$ (139,843)	\$ (6,264)	\$ (323,077)	\$ 295,290
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities					
Depreciation	298,048	195,455	-	-	493,503
(Increase) decrease in:					
Receivables	(3,432)	(39,452)	-	-	(42,884)
Prepaid expenses	20,084	(13,919)	-	-	6,165
Intra-program receivables	101,609	(323,356)	(12,575)	-	(234,322)
Increase (decrease) in:					
Accounts payable	8,352	(1,921)	3,822	-	10,253
Accrued expenses	8,373	12,411	4,608	-	25,392
Intra-program payables	318,365	(84,043)	-	-	234,322
Net cash provided by (used in) operating activities	<u>1,515,873</u>	<u>(394,668)</u>	<u>(10,409)</u>	<u>(323,077)</u>	<u>787,719</u>
Cash flows from capital and related financing activities					
Purchases of property and equipment	(1,122,575)	(209,843)	-	-	(1,332,418)
Cash flows from financing activities					
Purchase of investments	(30,444)	-	-	-	(30,444)
Equity transfers	60,174	-	(60,174)	-	-
Transfers	(55,000)	55,000	-	-	-
Principal paid on purchase agreement	(15,000)	-	-	-	(15,000)
Net cash provided by (used in) financing activities	<u>(40,270)</u>	<u>55,000</u>	<u>(60,174)</u>	<u>-</u>	<u>(45,444)</u>
Net increase (decrease) in cash	353,028	(549,511)	(70,583)	(323,077)	(590,143)
Cash, beginning of year	<u>1,526,683</u>	<u>568,725</u>	<u>70,583</u>	<u>323,077</u>	<u>2,489,068</u>
Cash, end of year	<u>\$ 1,879,711</u>	<u>\$ 19,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,898,925</u>