RESCUE MINISTRIES
Of Mid-Michigan

Financial Statements

(With Supplementary Financial Information)

For the Year Ended December 31, 2025

SK

SMITH & KLACZKIEWICZ, PC
Certified Public Accountants

Rescue Ministries of Mid-Michigan

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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, 2025, 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, 2025, 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

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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.

Report on 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 + Klaczkiewicz PC

Saginaw, Michigan
May 28, 2026

Rescue Ministries of Mid-Michigan
Statement of Financial Position
December 31, 2025

Assets		
Current assets		
Cash	$	1,779,413
Cash - restricted		180,000
Investments		573,158
Accounts receivable		376,944
Pledge receivable		2,440
Prepaid expense		29,486
Inventory		600
Total current assets		2,942,041
Noncurrent assets		
Capital assets		15,719,958
Less: accumulated depreciation		(5,827,430)
Total noncurrent assets		9,892,528
Total assets	$	12,834,569
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$	292,432
Accrued expenses		82,437
Judgment payable		5,500
Total current liabilities		380,369
Noncurrent liabilities		
Accrued compensated absences		66,304
Land contract		20,000
FHLB Loan		1,250,000
Total noncurrent liabilities		1,336,304
Total liabilities		1,716,673
Net assets		
Without donor restrictions		
Undesignated		10,237,896
Designated by the Board - Capital Improvements		700,000
With donor restrictions		180,000
Total net assets		11,117,896
Total Liabilities and Net Assets	$	12,834,569

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, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating			
Revenues, gains and other support			
Contributions	$ 3,331,003	$ -	$ 3,331,003
Special events	290,628	-	290,628
Donated materials	1,070,277	-	1,070,277
Legacies and bequests	297,987	-	297,987
Grants from governmental agencies			
Federal grants	902,764	-	902,764
State and local grants	723,114	180,000	903,114
Program service fees	4,769	-	4,769
Investment income (loss)	129,990	-	129,990
Baling income	17,408	-	17,408
Rent from investment property, net of direct costs	77,258	-	77,258
Net assets released from restrictions	-	-	-
Total revenues, gains and other support	6,845,198	180,000	7,025,198
Expenses			
Program services			
City Rescue Mission Mens Emergency Shelter	1,075,108	-	1,075,108
Discipleship Program	320,075	-	320,075
City Rescue Mission Womens Emergency Shelter	1,297,538	-	1,297,538
Impact Designs	532,197	-	532,197
Good Samaritan Rescue Mission Mens Emergency Shelter	937,070	-	937,070
Good Samaritan Rescue Mission Womens Emergency Shelter	902,226	-	902,226
Samaritan Youth Shelter	651,388	-	651,388
Higher Purpose	187,261	-	187,261
Total program services	5,902,864	-	5,902,864
Supporting services			
Management and general	459,106	-	459,106
Fundraising	468,135	-	468,135
Total supporting services	927,241	-	927,241
Total expenses	6,830,105	-	6,830,105
Increase in net assets from operating activities	15,093	180,000	195,093
Nonoperating			
Gain (loss) on sale of capital assets	823	-	823
Change in Net Assets	15,916	180,000	195,916
Net Assets, Beginning	10,921,980	-	10,921,980
Net Assets, Ending	$ 10,937,896	$ 180,000	$ 11,117,896

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, 2025

	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	$ 359,437	$ 106,500	$ 465,937	$ 133,125	$ 273,556	$ 265,267
Fringe benefits	77,373	22,925	100,298	28,657	53,189	51,577
Payroll taxes	26,536	7,862	34,398	9,828	20,261	19,647
Total salaries and related expense	463,346	137,287	600,633	171,610	347,006	336,491
Professional services	62,400	18,489	80,889	23,111	103,646	100,506
Building maintenance	14,541	3,324	15,372	4,155	18,500	17,940
Client services	3,223	1,074	3,223	3,223	13,400	13,400
Development and public education	92,400	27,378	119,777	34,222	62,495	56,030
Dues, licenses and services	12,526	4,175	12,526	12,526	18,862	18,862
Food and kitchen supplies	27,119	9,040	27,119	27,119	24,601	24,601
Insurance	24,788	5,666	26,205	7,082	11,102	10,765
Bank and other fees	15,314	3,558	16,395	4,448	3,609	3,382
Office supplies	9,318	2,761	12,079	3,451	6,033	5,851
Operating supplies	11,626	2,657	12,290	3,322	5,965	5,785
Donated materials	182,420	60,807	182,420	182,420	184,884	184,884
Postage	5,526	1,637	7,163	2,047	3,252	2,916
Staff training	3,144	931	4,075	1,164	545	529
Communication	3,599	1,066	4,666	1,333	2,746	2,662
Utilities	42,563	9,729	44,995	12,161	61,710	59,840
Vehicle operations	5,270	1,506	4,517	3,011	1,131	1,096
Special events	4,155	1,781	4,155	1,781	2,201	2,201
Other capital costs	2,549	755	3,304	944	8,172	6,810
Total expenses before depreciation	985,827	293,621	1,181,803	499,130	879,860	854,551
Depreciation	89,281	26,454	115,735	33,067	57,210	47,675
Total expenses	$ 1,075,108	$ 320,075	$ 1,297,538	$ 532,197	$ 937,070	$ 902,226

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
$ 207,240	$ 103,448	$ 1,914,510	$ 217,777	$ 131,369	$ 349,146	$ 2,263,656
40,295	17,528	391,842	45,670	27,760	73,430	465,272
15,349	6,158	140,039	16,092	9,704	25,796	165,835
262,884	127,134	2,446,391	279,539	168,833	448,372	2,894,763
78,520	-	467,561	38,815	38,815	77,630	545,191
14,016	17,885	105,733	4,880	4,880	9,760	115,493
6,700	15,390	59,633	-	-	-	59,633
53,875	-	446,177	28,886	82,658	111,544	557,721
9,431	10,806	99,714	-	-	-	99,714
12,300	-	151,899	-	-	-	151,899
8,410	1,784	95,802	5,223	5,223	10,446	106,248
2,656	1	49,364	3,229	3,086	6,315	55,679
4,571	3,104	47,168	4,365	4,365	8,730	55,898
4,519	-	46,164	2,565	2,565	5,130	51,294
92,442	-	1,070,277	-	-	-	1,070,277
2,804	-	25,345	1,584	4,752	6,336	31,681
413	1,454	12,255	1,247	1,247	2,494	14,749
2,080	1,035	19,187	917	2,582	3,499	22,686
46,750	8,607	286,355	15,430	15,430	30,860	317,215
1,028	61	17,620	555	370	925	18,545
4,401	-	20,675	5,169	77,524	82,693	103,368
5,448	-	27,982	5,030	3,668	8,698	36,680
613,248	187,261	5,495,302	397,434	415,998	813,432	6,308,734
38,140	-	407,562	61,672	52,137	113,809	521,371
$ 651,388	$ 187,261	$ 5,902,864	$ 459,106	$ 468,135	$ 813,432	$ 6,830,105

Rescue Ministries of Mid-Michigan
Statement of Cash Flows
For the Year Ended December 31, 2025

Net cash flows from operating activities		
Change in net assets	$	195,093
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation		521,371
(Increase) decrease in:		
Receivables		(91,306)
Prepaid expenses		2,989
Increase (decrease) in:		
Accounts payable		67,546
Accrued expenses		10,844
Net cash provided by (used in) operating activities		706,537
Cash flows from capital and related financing activities		
Purchases of property and equipment		(615,652)
Proceeds from sale of capital assets		1,000
Net cash provided by (used in) capital activities		(614,652)
Cash flows from financing activities		
Purchase of investments		(6,397)
Principal paid on purchase agreement		(25,000)
Net cash provided by (used in) financing activities		(31,397)
Net increase (decrease) in cash		60,488
Cash, beginning of year		1,898,925
Cash, end of year	$	1,959,413
Reconciliation of cash and cash equivalents per the Statement of Financial Position to the Statement of Cash Flows		
Cash	$	1,779,413
Cash - restricted		180,000
Cash and cash equivalents - end of year	$	1,959,413

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

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.

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 2021 through 2025, 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 finanical 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.

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 $1,070,277 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.

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 2025 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.

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, 2025, the most recent statement of financial position presented herein, through the May 28, 2026, 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	$ 1,779,413
Investments	573,158
Accounts receivable	376,944
Total	$ 2,729,515

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.

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated				
Land	$ 76,999	$ -	$ -	$ 76,999
Construction in progress	303,468	325,475	(369,115)	259,828
Total capital assets not being depreciated	380,467	325,475	(369,115)	336,827
Capital assets being depreciated				
Buildings	13,108,898	569,470	(420)	13,677,948
Equipment and furniture	1,646,115	68,678	(278,256)	1,436,537
Vehicles	278,614	21,144	(31,112)	268,646
Total capital assets being depreciated	15,033,627	659,292	(309,788)	15,383,131
Less accumulated depreciation	(5,599,415)	(521,371)	293,356	(5,827,430)
Net capital assets being depreciated	9,434,212	137,921	(16,432)	9,555,701
Total net capital assets	$ 9,814,679	$ 463,396	$ (385,547)	$ 9,892,528

Note 4 – Long-term Debt

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Lease purchase	$ 45,000	$ -	$ (25,000)	$ 20,000	$ 20,000

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*** made 5 payments.

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

Year Ending	Principal Requirements	Interest Requirements
2026	$ 20,000	$ -

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 15 years (2031).

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

Year Ending	Principal Requirements	Interest Requirements
2031	$ 500,000	$ -

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 15 years (2037).

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

Year Ending	Principal Requirements	Interest Requirements
2037	$ 750,000	$ -

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, 2025, the employer contributed $45,616 to the plan and employees contributed $57,641. At December 31, 2025, there were 25 plan members. Plan provisions and contribution requirements are established and may be amended by the Organization's Board of Directors.

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. $478,763 for the purchase of staffing services. B.E.A.M Industries, Inc. is owned by a former 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 – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes and periods at December 31:

Subject to expenditure for a specified purpose:

Higher purpose parking lot	$ 180,000

Note 11 – 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 $969,348 for the year ended December 31, 2025. Of this balance, $0 was recognized on the Organization's balance sheet as of December 31, 2025.

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.

Note 12 – Pending Litigation

The estate of a resident of the Good Samaritan Rescue Mission filed suit against the Organization as a result of a fatal pedestrian-vehicle incident that occurred in November 2024. Management and counsel believe the allegation is without merit and are conducting a vigorous defense. The ultimate outcome is unknown at this time, however a provision for the loss in the amount of $5,500 has been recorded in the financial statements.

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Rescue Ministries of Mid-Michigan
Statement of Financial Position - By Fund
December 31, 2025

	Without Donor Restrictions				
	City Rescue Mission Funds Operating Fund	Good Samaritan Mission Fund Operating Fund	Higher Purpose	With Donor Restrictions	Total
Assets					
Current assets					
Cash	$ 1,950,182	$ 9,231	$ (180,000)	$ -	$ 1,779,413
Cash - restricted	-	-	-	180,000	180,000
Investments	573,158	-	-	-	573,158
Accounts receivable	62,142	313,918	884	-	376,944
Pledge receivable	2,440	-	-	-	2,440
Prepaid expense	20,805	7,916	765	-	29,486
Inventory	600	-	-	-	600
Intra-program receivables	2,886	148,102	162,759	-	313,747
Total current assets	2,612,213	479,167	(15,592)	180,000	3,255,788
Noncurrent assets					
Capital assets	9,534,476	6,174,505	10,977	-	15,719,958
Less: accumulated depreciation	(4,071,237)	(1,756,193)	-	-	(5,827,430)
Total noncurrent assets	5,463,239	4,418,312	10,977	-	9,892,528
Total assets	$ 8,075,452	$ 4,897,479	$ (4,615)	$ 180,000	$ 13,148,316
Liabilities and Net Assets					
Current liabilities					
Accounts payable	$ 78,776	$ 208,330	$ 5,326	$ -	$ 292,432
Accrued expenses	46,193	32,732	3,512	-	82,437
Judgement payable	-	5,500	-	-	5,500
Intra-program payables	285,208	28,539	-	-	313,747
Total current liabilities	410,177	275,101	8,838	-	694,116
Noncurrent liabilities					
Accrued compensated absences	43,713	22,480	111	-	66,304
Land contract	20,000	-	-	-	20,000
FHLB Loan	-	1,250,000	-	-	1,250,000
Total noncurrent liabilities	63,713	1,272,480	111	-	1,336,304
Total liabilities	473,890	1,547,581	8,949	-	2,030,420
Net assets					
Without donor restrictions					
Undesignated	7,301,562	2,949,898	(13,564)	-	10,237,896
Designated by the Board	300,000	400,000	-	-	700,000
With donor restrictions	-	-	-	180,000	180,000
Total net assets	7,601,562	3,349,898	(13,564)	180,000	11,117,896
Total Liabilities and Net Assets	$ 8,075,452	$ 4,897,479	$ (4,615)	$ 180,000	$ 13,148,316

Rescue Ministries of Mid-Michigan
Statement of Activities - By Fund
For the Year Ended December 31, 2025

	Without Donor Restrictions				
	City Rescue Mission Funds Operating Fund	Good Samaritan Mission Fund Operating Fund	Higher Purpose	With Donor Restrictions	Total
Operating					
Revenues, gains and other support					
Contributions	$ 2,054,992	$ 1,124,507	$ 151,504	$ -	$ 3,331,003
Special events	199,694	90,934	-	-	290,628
Donated materials	608,066	462,211	-	-	1,070,277
Legacies and bequests	282,987	15,000	-	-	297,987
Grants from governmental agencies					
Federal grants	221,348	681,416	-	-	902,764
State and local grants	307,465	415,649	-	180,000	903,114
Program service fees	3,530	1,239	-	-	4,769
Investment income (loss)	129,990	-	-	-	129,990
Baling income	17,408	-	-	-	17,408
Rent from investment property, net of direct costs	7,675	62,512	7,071	-	77,258
Net assets released from restrictions	-	-	-	-	-
Total revenues, gains and other support	3,833,155	2,853,468	158,575	180,000	7,025,198
Expenses					
Program services					
City Rescue Mission Mens Emergency Shelter	1,075,108	-	-	-	1,075,108
Discipleship Program	320,075	-	-	-	320,075
City Rescue Mission Womens Emergency Shelter	1,297,538	-	-	-	1,297,538
Impact Designs	532,197	-	-	-	532,197
Good Samaritan Rescue Mission Mens Emergency Shelter	-	937,070	-	-	937,070
Good Samaritan Rescue Mission Womens Emergency Shelter	-	902,226	-	-	902,226
Samaritan Youth Shelter	-	651,388	-	-	651,388
Higher Purpose	-	-	187,261	-	187,261
Total program services	3,224,919	2,490,684	187,261	-	5,902,864
Supporting services					
Management and general	306,633	152,473	-	-	459,106
Fundraising	314,987	153,148	-	-	468,135
Total supporting services	621,620	305,621	-	-	927,241
Total expenses	3,846,539	2,796,305	187,261	-	6,830,105
Increase (decrease) in net assets from operating activities	(13,384)	57,163	(28,686)	180,000	195,093
Nonoperating					
Gain (loss) on sale of capital assets	1,000	(177)	-	-	823
Change in Net Assets	(12,384)	56,986	(28,686)	180,000	195,916
Net assets, beginning	7,613,946	3,292,912	15,122	-	10,921,980
Net assets, ending	$ 7,601,562	$ 3,349,898	$ (13,564)	$ 180,000	$ 11,117,896

Rescue Ministries of Mid-Michigan
Statement of Cash Flows - By Fund
For the Year Ended December 31, 2025

	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	$ (13,384)	$ 57,163	$ (28,686)	$ 180,000	$ 195,093
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities					
Depreciation	330,671	190,700	-	-	521,371
(Increase) decrease in:					
Receivables	61,661	(152,083)	(884)	-	(91,306)
Prepaid expenses	(6,706)	10,460	(765)	-	2,989
Intra-program receivables	38,225	186,101	(150,184)	-	74,142
Increase (decrease) in:					
Accounts payable	(67,514)	133,556	1,504	-	67,546
Accrued expenses	791	11,038	(985)	-	10,844
Intra-program payables	(74,050)	(92)	-	-	(74,142)
Net cash provided by (used in) operating activities	269,694	436,843	(180,000)	180,000	706,537
Cash flows from capital and related activities					
Purchases of property and equipment	(168,826)	(446,826)	-	-	(615,652)
Proceeds from sale of capital assets	1,000	-	-	-	1,000
Net cash provided by (used in) capital activities	(167,826)	(446,826)	-	-	(614,652)
Cash flows from financing activities					
Purchase of investments	(6,397)	-	-	-	(6,397)
Principal paid on purchase agreement	(25,000)	-	-	-	(25,000)
Net cash provided by (used in) financing activities	(31,397)	-	-	-	(31,397)
Net increase (decrease) in cash	70,471	(9,983)	(180,000)	180,000	60,488
Cash, beginning of year	1,879,711	19,214	-	-	1,898,925
Cash, end of year	$ 1,950,182	$ 9,231	$ (180,000)	$ 180,000	$ 1,959,413
Reconciliation of cash and cash equivalents per the Statement of Financial Position to the Statement of Cash Flows					
Cash	$ 1,950,182	$ 9,231	$ (180,000)	$ -	1,779,413
Cash - restricted	-	-	-	180,000	180,000
Cash and cash equivalents - end of year	$ 1,950,182	$ 9,231	$ (180,000)	$ 180,000	$ 1,959,413