

*Consolidated Financial Statements  
with Supplemental Information*

**Fort Wayne Rescue Mission  
Ministries, Inc.**

June 30, 2025 and 2024

# ***FORT WAYNE RESCUE MISSION MINISTRIES, INC.***

***Consolidated Financial Statements with Supplemental Information***  
**June 30, 2025 and 2024**



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## **Independent Auditors' Report**

Board of Trustees  
Fort Wayne Rescue Mission Ministries, Inc.  
Fort Wayne, Indiana

### **Opinion**

We have audited the accompanying consolidated financial statements of Fort Wayne Rescue Mission Ministries, Inc. (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, cash flows, and functional expenses 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 financial position of Fort Wayne Rescue Mission Ministries, Inc. 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Fort Wayne Rescue Mission Ministries, Inc. 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 these 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 Fort Wayne Rescue Mission Ministries, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Fort Wayne Rescue Mission Ministries, Inc.'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 Fort Wayne Rescue Mission Ministries, Inc.'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 Supplemental Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 28 to 33, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



**BADEN, GAGE & SCHROEDER, LLC**

Fort Wayne, Indiana  
November 7, 2025

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



## **Consolidated Statements of Financial Position June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,175,151	\$ 2,014,761
Other receivables	-	817
Contributions receivable	1,193,149	2,069,844
Prepaid expenses and other assets	19,213	13,184
Investments	<u>4,321,170</u>	<u>4,855,375</u>
Total Current Assets	6,708,683	8,953,981
<b>NET PROPERTY AND EQUIPMENT</b>	20,209,806	20,549,114
<b>RIGHT OF USE ASSETS - OPERATING</b>	2,022,112	2,102,330
<b>RIGHT OF USE ASSETS - FINANCE</b>	27,880	42,874
<b>OTHER ASSETS</b>		
Cash - restricted	181,830	252,636
Note receivable	9,135,780	9,135,780
Contributions receivable	621,495	994,549
Beneficial interest in charitable trusts	<u>399,400</u>	<u>418,700</u>
Total Other Assets	<u>10,338,505</u>	<u>10,801,665</u>
<b>TOTAL ASSETS</b>	<u>\$ 39,306,986</u>	<u>\$ 42,449,964</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Line of credit	\$ 1,236,167	\$ 1,316,167
Accounts payable	83,830	150,801
Accrued expenses	235,710	198,898
Current maturities of long-term debt	3,444,236	456,250
Current portion of operating lease liabilities	114,007	106,497
Current portion of finance lease liabilities	<u>15,079</u>	<u>15,050</u>
Total Current Liabilities	5,129,029	2,243,663
<b>NONCURRENT LIABILITIES</b>		
Long-term debt	12,925,658	16,281,678
Operating lease liabilities, less current portion	1,968,852	2,037,034
Finance lease liabilities, less current portion	<u>13,168</u>	<u>28,247</u>
Total Noncurrent Liabilities	<u>14,907,678</u>	<u>18,346,959</u>
Total Liabilities	20,036,707	20,590,622
<b>NET ASSETS</b>		
Without donor restrictions	18,114,264	20,521,527
With donor restrictions	<u>1,156,015</u>	<u>1,337,815</u>
Total Net Assets	<u>19,270,279</u>	<u>21,859,342</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 39,306,986</u>	<u>\$ 42,449,964</u>

See Notes to Consolidated Financial Statements.

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



## **Consolidated Statement of Activities** **Years Ended June 30, 2025 and 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2025</b>	<b>Total 2024</b>
<b>SUPPORT AND REVENUE</b>				
Contributions and grants	\$ 5,863,542	\$ 500,000	\$ 6,363,542	\$ 7,355,122
In-kind contributions	792,408	-	792,408	675,000
United Way	19,512	-	19,512	30,598
Thrift store	1,232,537	-	1,232,537	1,228,356
Investment income	537,700	-	537,700	572,580
Change in value of charitable trusts	-	(19,300)	(19,300)	4,500
Other	125	-	125	17,225
Net assets released from restrictions	<u>662,500</u>	<u>(662,500)</u>	<u>-</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>9,108,324</b>	<b>(181,800)</b>	<b>8,926,524</b>	<b>9,883,381</b>
<b>EXPENSES</b>				
Emergency shelter for the homeless and transient	1,563,828	-	1,563,828	1,634,491
Short term residence and rehabilitation	2,396,437	-	2,396,437	2,149,541
Resident and community meals	1,056,268	-	1,056,268	935,904
Long term residence and rehabilitation	2,307,718	-	2,307,718	2,248,042
Store/warehouse	<u>1,335,466</u>	<u>-</u>	<u>1,335,466</u>	<u>1,316,682</u>
Total program expense	8,659,717	-	8,659,717	8,284,660
Management and general	1,545,302	-	1,545,302	1,463,001
Fundraising	<u>1,310,568</u>	<u>-</u>	<u>1,310,568</u>	<u>1,349,126</u>
<b>TOTAL EXPENSES</b>	<b><u>11,515,587</u></b>	<b><u>-</u></b>	<b><u>11,515,587</u></b>	<b><u>11,096,787</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>(2,407,263)</b>	<b>(181,800)</b>	<b>(2,589,063)</b>	<b>(1,213,406)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>20,521,527</u></b>	<b><u>1,337,815</u></b>	<b><u>21,859,342</u></b>	<b><u>23,072,748</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 18,114,264</u></b>	<b><u>\$ 1,156,015</u></b>	<b><u>\$ 19,270,279</u></b>	<b><u>\$ 21,859,342</u></b>

See Notes to Consolidated Financial Statements.

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



## **Consolidated Statement of Activities** **Year Ended June 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 7,042,622	\$ 312,500	\$ 7,355,122
In-kind contributions	675,000	-	675,000
United Way	30,598	-	30,598
Thrift store	1,228,356	-	1,228,356
Investment income	572,580	-	572,580
Change in value of charitable trusts	-	4,500	4,500
Other	17,225	-	17,225
Net assets released from restrictions	<u>350,000</u>	<u>(350,000)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	9,916,381	(33,000)	9,883,381
<b>EXPENSES</b>			
Emergency shelter for the homeless and transient	1,634,491	-	1,634,491
Short term residence and rehabilitation	2,149,541	-	2,149,541
Resident and community meals	935,904	-	935,904
Long term residence and rehabilitation	2,248,042	-	2,248,042
Store/warehouse	<u>1,316,682</u>	<u>-</u>	<u>1,316,682</u>
Total program expense	8,284,660	-	8,284,660
Management and general	1,463,001	-	1,463,001
Fundraising	<u>1,349,126</u>	<u>-</u>	<u>1,349,126</u>
<b>TOTAL EXPENSES</b>	<u>11,096,787</u>	<u>-</u>	<u>11,096,787</u>
<b>CHANGE IN NET ASSETS</b>	(1,180,406)	(33,000)	(1,213,406)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>21,701,933</u>	<u>1,370,815</u>	<u>23,072,748</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 20,521,527</u>	<u>\$ 1,337,815</u>	<u>\$ 21,859,342</u>

See Notes to Consolidated Financial Statements.

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



## **Consolidated Statements of Cash Flows** **Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (2,589,063)	\$ (1,213,406)
Adjustments to Reconcile Change in Net Assets to Net Cash Used		
In Operating Activities:		
Depreciation and amortization	825,378	802,607
Net realized and unrealized gains on investments	(294,384)	(371,182)
Interest and dividends reinvested	(145,195)	(104,407)
Change in beneficial interest in charitable trusts	19,300	(4,500)
Contributions and grants received for acquisition of long-lived assets	(452,020)	(407,602)
Contribution of in-kind rent	-	(195,000)
Contributions of property and equipment	(92,408)	-
Contributions of marketable securities	(109,182)	(4,966)
Net lease change	19,490	16,732
(Increase) Decrease in Assets:		
Other receivables	817	659
Contributions receivable	1,249,749	705,442
Prepaid expenses and other assets	(6,029)	13,701
Increase (Decrease) in Liabilities:		
Accounts payable	(66,972)	18,152
Accrued expenses	<u>36,811</u>	<u>8,848</u>
Net Cash Used In Operating Activities	(1,603,708)	(734,922)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(290,394)	(90,269)
Proceeds from sale of property and equipment	-	1,263,309
Purchase of investments	(1,936,989)	(2,619,167)
Proceeds from sale of investments	<u>3,019,955</u>	<u>2,878,798</u>
Net Cash Provided By Investing Activities	792,572	1,432,671
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net draw (repayment) on line of credit	(80,000)	80,000
Proceeds from contributions and grants restricted for acquisition of long-lived assets	452,020	407,602
Reduction of finance lease liabilities	(15,050)	(17,246)
Payments on long-term debt	<u>(456,250)</u>	<u>-</u>
Net Cash Provided By (Used In) Financing Activities	<u>(99,280)</u>	<u>470,356</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND CASH - RESTRICTED</b>	(910,416)	1,168,105
<b>CASH AND CASH EQUIVALENTS AND CASH - RESTRICTED, BEGINNING OF YEAR</b>	<u>2,267,397</u>	<u>1,099,292</u>
<b>CASH AND CASH EQUIVALENTS AND CASH - RESTRICTED, END OF YEAR</b>	<u>\$ 1,356,981</u>	<u>\$ 2,267,397</u>

(Continued)

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



## **Consolidated Statements of Cash Flows (Continued)**

**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>AS PRESENTED ON THE ACCOMPANYING CONSOLIDATED STATEMENTS OF FINANCIAL POSITION:</b>		
Cash and cash equivalents	\$ 1,175,151	\$ 2,014,761
Cash - restricted	<u>181,830</u>	<u>252,636</u>
<b>TOTAL CASH AND CASH EQUIVALENTS AND CASH - RESTRICTED, END OF YEAR</b>	<u><u>\$ 1,356,981</u></u>	<u><u>\$ 2,267,397</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	\$ 436,553	\$ 443,611
In-kind donation of property and equipment	92,408	-
In-kind donations of marketable securities received	109,182	4,966
In-kind donation of rent	-	195,000
In-kind donation of vehicle sold	-	22,712
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	187,261	174,277
Operating cash flows from finance leases	1,598	1,236
Financing cash flows from finance leases	15,050	17,246
Lease assets obtained in exchange for lease obligations:		
Operating leases	51,353	87,719
Finance leases	-	28,007

**See Notes to Consolidated Financial Statements.**

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



## **Consolidated Statements of Functional Expenses** **Year Ended June 30, 2025**

	<b>Emergency Shelter for the Homeless and Transient</b>	<b>Short Term Residence and Rehabilitation</b>	<b>Resident and Community Meals</b>	<b>Long Term Residence and Rehabilitation</b>	<b>Store/Warehouse</b>	<b>Total Program Expense</b>	<b>Management and General</b>	<b>Fund-raising</b>	<b>Total Expenses</b>
Salaries and wages	\$ 938,821	\$ 1,443,766	\$ -	\$ 1,450,683	\$ 628,268	\$ 4,461,538	\$ 398,640	\$ 578,459	\$ 5,438,637
Employee benefits	159,641	240,348	-	236,534	119,573	756,096	80,635	102,515	939,246
Payroll taxes	<u>68,088</u>	<u>106,278</u>	-	<u>106,581</u>	<u>45,613</u>	<u>326,560</u>	<u>34,137</u>	<u>42,468</u>	<u>403,165</u>
Total salaries, wages and related expenses	1,166,550	1,790,392	-	1,793,798	793,454	5,544,194	513,412	723,442	6,781,048
Equipment maintenance	89,270	132,587	-	93,533	38,777	354,167	29,219	580	383,966
Food	-	-	1,056,268	-	-	1,056,268	-	-	1,056,268
Professional fees	22,707	24,319	-	24,235	30,937	102,198	239,200	155,633	497,031
Supplies	35,243	45,648	-	47,538	9,688	138,117	14,459	781	153,357
Telephone	1,601	1,127	-	1,179	-	3,907	1,910	1,910	7,727
Postage and shipping	-	-	-	-	-	-	614	4,248	4,862
Occupancy	41,842	78,256	-	78,256	297,848	496,202	60,527	21,345	578,074
Board administration	-	-	-	-	-	-	13,440	-	13,440
Printing and publications	-	-	-	-	110	110	13,280	347,378	360,768
Vehicle expense	4,018	12,093	-	10,225	27,469	53,805	23,257	-	77,062
Continuing education	383	575	-	586	230	1,774	13,762	826	16,362
Specific assistance to individuals	903	1,259	-	1,557	-	3,719	20	-	3,739
Membership dues	-	58	-	-	-	58	16,055	2,218	18,331
Insurance	17,783	24,296	-	24,299	21,718	88,096	47,963	11,529	147,588
Travel and meals	-	29	-	-	-	29	27,530	1,695	29,254
Interest	-	-	-	-	-	-	436,553	-	436,553
Other	17,651	18,560	-	18,611	82,660	137,482	67,669	22,894	228,045
Depreciation and amortization	<u>165,877</u>	<u>267,238</u>	-	<u>213,901</u>	<u>32,575</u>	<u>679,591</u>	<u>26,432</u>	<u>16,089</u>	<u>722,112</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,563,828</u>	<u>\$ 2,396,437</u>	<u>\$ 1,056,268</u>	<u>\$ 2,307,718</u>	<u>\$ 1,335,466</u>	<u>\$ 8,659,717</u>	<u>\$ 1,545,302</u>	<u>\$ 1,310,568</u>	<u>\$ 11,515,587</u>

See Notes to Consolidated Financial Statements.

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Consolidated Statements of Functional Expenses Year Ended June 30, 2024

	Emergency Shelter for the Homeless and Transient	Short Term Residence and Rehabilitation	Resident and Community Meals	Long Term Residence and Rehabilitation	Store/Warehouse	Total Program Expense	Management and General	Fund-raising	Total Expenses
Salaries and wages	\$ 1,021,109	\$ 1,297,175	\$ -	\$ 1,274,593	\$ 638,748	\$ 4,231,625	\$ 399,970	\$ 574,680	\$ 5,206,275
Employee benefits	146,845	203,169	-	202,581	118,561	671,156	70,412	90,627	832,195
Payroll taxes	72,349	95,132	-	94,562	46,246	308,289	27,913	42,318	378,520
Total salaries, wages and related expenses	1,240,303	1,595,476	-	1,571,736	803,555	5,211,070	498,295	707,625	6,416,990
Equipment maintenance	79,621	107,133	-	73,241	33,911	293,906	20,064	1,996	315,966
Food	-	-	935,904	-	-	935,904	-	-	935,904
Professional fees	20,787	20,655	-	20,699	26,768	88,909	195,543	131,358	415,810
Supplies	32,488	33,563	-	30,700	9,777	106,528	15,644	9,448	131,620
Telephone	1,902	1,118	-	1,427	449	4,896	1,654	1,474	8,024
Postage and shipping	1,180	666	-	358	-	2,204	752	6,286	9,242
Occupancy	33,574	76,671	-	310,670	245,231	666,146	44,479	17,246	727,871
Board administration	-	-	-	-	-	-	21,811	-	21,811
Printing and publications	-	-	-	-	-	-	10,720	421,080	431,800
Vehicle expense	4,150	5,658	-	5,275	34,760	49,843	22,366	137	72,346
Continuing education	32	24	-	184	-	240	18,905	5,599	24,744
Specific assistance to individuals	7,206	1,023	-	419	-	8,648	-	-	8,648
Membership dues	426	222	-	225	-	873	9,295	2,675	12,843
Insurance	18,691	21,802	-	21,808	18,729	81,030	50,587	10,400	142,017
Travel and meals	45	68	-	37	-	150	24,716	2,939	27,805
Interest	-	-	-	-	-	-	443,611	-	443,611
Other	18,896	20,160	-	19,254	109,534	167,844	57,956	26,790	252,590
Depreciation and amortization	175,190	265,302	-	192,009	33,968	666,469	26,603	4,073	697,145
<b>TOTAL EXPENSES</b>	<b>\$ 1,634,491</b>	<b>\$ 2,149,541</b>	<b>\$ 935,904</b>	<b>\$ 2,248,042</b>	<b>\$ 1,316,682</b>	<b>\$ 8,284,660</b>	<b>\$ 1,463,001</b>	<b>\$ 1,349,126</b>	<b>\$ 11,096,787</b>

See Notes to Consolidated Financial Statements.

# ***FORT WAYNE RESCUE MISSION MINISTRIES, INC.***



## ***Notes to Consolidated Financial Statements*** **June 30, 2025 and 2024**

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### **Note 1. Organization and Summary of Significant Accounting Policies**

#### Organization:

Fort Wayne Rescue Mission Ministries, Inc. d/b/a The Rescue Mission ("Mission"), Fort Wayne Rescue Mission Ministries Foundation, Inc. ("Foundation") and FWRM Support Corporation ("Support") (collectively, the "Organization") is a not-for-profit organization whose mission and activities are to provide emergency shelter, transitional living and rehabilitation to the homeless. The Foundation's function is to provide support to the Mission. The function of Support is to hold a specific facility. The Organization's revenue and other support are derived principally from contributions and local grants, and its activities are conducted principally in Allen County, Indiana.

#### Principles of Consolidation:

The consolidated financial statements include the accounts of the Mission, the Foundation, and Support. All significant inter-organization accounts and transactions have been eliminated in consolidation.

#### Basis of Presentation:

The consolidated financial statements are prepared on an accrual basis of accounting.

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose and those that have been restricted by donors to be maintained by the Organization in perpetuity. Net assets without donor restrictions are those whose use is not restricted by donors.

#### Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### Cash and Cash Equivalents and Cash - Restricted:

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents related to uninvested cash are considered part of investments for consolidated financial statement purposes.

The restricted cash is to be used only for construction of the a facility and related costs for the New Markets Tax Credit financing transaction and must be approved by the lender before disbursement.

# ***FORT WAYNE RESCUE MISSION MINISTRIES, INC.***



***Notes to Consolidated Financial Statements (Continued)***  
**June 30, 2025 and 2024**

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## **Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

### Contributions Receivable:

The Organization recognizes contributions as public support in the year the promise is made. The present value of these estimated future cash flows is recorded as a receivable. Management considers all contributions receivable to be fully collectible and, therefore, has not established a provision for uncollectible contributions.

### Investments:

Investments in marketable securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment income includes dividends, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment income that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment income is reflected in the consolidated statements of activities as without donor restrictions, or as with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

### Property and Equipment:

Property and equipment is stated at cost or, if donated, at fair value at the date of the gift. Additions and improvements that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. The Organization follows the policy of depreciating assets on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets.

### Leases:

The Organization leases certain buildings, equipment, and vehicles. The determination of whether an arrangement is a lease is made at the inception of each contract. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Management has elected not to record leases with an initial term of 12 months or less on the consolidated statements of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



**Notes to Consolidated Financial Statements (Continued)**  
**June 30, 2025 and 2024**

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## **Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

Leases: (Continued)

Right-of-use (“ROU”) assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since most of the Organization's leases do not provide an implicit rate, the Organization has elected the practical expedient to use the risk free rate at lease commencement for its leases without readily determinable implicit rates.

Lease ROU assets include any upfront lease payments made and exclude any lease incentives. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Lease expense for finance lease payments is recognized on a straight-line basis over the useful life of the asset and is included in depreciation expense. The interest associated with finance lease obligations is included in interest expense. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices.

Certain building lease agreements include variable payments based on property taxes assessed and common area maintenance, which are not determinable at lease commencement and are not included in the measurement of the lease asset and liabilities. Variable payments are expensed during the period incurred. Lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Certain building leases include one or more options to renew, with renewal terms that can extend the lease term from four to eight years. The exercise of lease renewal options is at the Organization's sole discretion. Certain leases also include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain to be exercised.

Note Receivable:

The note receivable is a financing receivable that is recorded at its outstanding principal amount. The Organization considers the note to be fully collectible; therefore, no allowance for credit losses has been provided. Interest on the note is recognized over the term of the note and is calculated using the simple-interest method on the principal amount outstanding. The note will be placed on nonaccrual when management believes that the collection of interest is doubtful or when it is determined that it will not be collected within a reasonable time period. If the Organization places the note on nonaccrual, uncollectible interest previously accrued will be charged off. Interest income on nonaccrual notes is recognized only to the extent cash payments are received in excess of the amount accrued. The note was not on nonaccrual at June 30, 2025 and 2024.

# ***FORT WAYNE RESCUE MISSION MINISTRIES, INC.***



## ***Notes to Consolidated Financial Statements (Continued)*** **June 30, 2025 and 2024**

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### **Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

#### Loan Costs:

Loan costs are amortized using the effective interest method over the term of the related debt (including anticipated prepayments), and are netted from long-term debt.

#### Contributions:

All contributions of cash and other assets are considered to be available for the general programs of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, 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 statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Gifts of land, buildings, equipment and other long-lived assets are reported as revenue without donor restrictions; unless explicit donor stipulations specify how such assets and net assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

#### In-Kind Contributions:

In addition to receiving cash contributions, the Organization receives in-kind contributions, generally in the form of food, from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its consolidated financial statements, and similarly increase contribution revenue by a like amount. For the years ended June 30, 2025 and 2024, \$792,408 and \$675,000, respectively, were received in in-kind contributions.

#### Revenue Recognition:

Revenue from thrift store sales is recognized under Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), when performance obligations under the terms of a contract with the customer have been satisfied and control has transferred to the customer. Revenue is measured based on the consideration specified in each contract and excludes any sales incentives. Taxes assessed by governmental agencies that are paid by the customer and collected by the Organization are excluded from revenue.

# ***FORT WAYNE RESCUE MISSION MINISTRIES, INC.***



***Notes to Consolidated Financial Statements (Continued)***  
**June 30, 2025 and 2024**

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## **Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

### Revenue Recognition: (Continued)

Ownership of the goods and associated revenue are transferred to customers at a point in time, generally when goods are sold and customers have taken possession of the merchandise. Goods are principally sold to users in Allen County, Indiana. There are no significant financing components as payment is received at the time of sale. No performance obligations remain after the customer takes possession of the merchandise.

### Functional Allocation of Expenses:

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and related payroll taxes and employee benefits are allocated on the basis of estimated time and effort. The expenses associated with occupying and maintaining the building, such as depreciation, utilities, building maintenance, and property insurance are allocated based on the square footage of space occupied by program and supporting services. Other expenses including thrift store purchases, equipment maintenance, food, professional fees, supplies, telephone, postage and shipping, board administration, printing and publications, vehicle expense, continuing education, specific assistance to individuals, membership dues, insurance, travel and meals, interest and other are allocated based on estimated actual usage.

### Advertising Costs:

Expenses for advertising are expensed as incurred.

### Income Taxes:

The Mission, Foundation and Support are publicly supported organizations and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is included in the consolidated financial statements. All entities have been classified as organizations that are not private foundations under Section 509(a) of the Internal Revenue Code.

The Mission, Foundation and Support file tax returns in the U.S. federal jurisdiction and the State of Indiana. The Organization believes it is no longer subject to income tax examinations for years prior to 2022.

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



## **Notes to Consolidated Financial Statements (Continued)** **June 30, 2025 and 2024**

### **Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

#### Income Taxes: (Continued)

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of income subject to unrelated business income tax ("UBIT"). The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2025 and 2024.

#### Credit Risk and Concentrations:

The Organization maintains its cash and cash equivalents in bank deposit accounts which, at various times throughout the year, exceeded federally insured limits.

#### Reclassification:

Certain amounts previously reported have been reclassified to conform to current year presentation.

#### Subsequent Events:

Management of the Organization has evaluated events and transactions for possible recognition or disclosure through November 7, 2025, the date the consolidated financial statements were available to be issued.

### **Note 2. Contributions Receivable**

Contributions receivable consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Due within one year	\$ 1,193,149	\$ 2,069,844
Due in one to five years	<u>665,000</u>	<u>1,080,000</u>
	1,858,149	3,149,844
Less: unamortized discount (at 7% and 6% at June 30, 2024 and 2023, respectively)	<u>(43,505)</u>	<u>(85,451)</u>
	<u>\$ 1,814,644</u>	<u>\$ 3,064,393</u>

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



## **Notes to Consolidated Financial Statements (Continued)** **June 30, 2025 and 2024**

### **Note 3. Investments and Investment Return**

Investments consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Money market funds	\$ 160,565	\$ 174,758
Marketable securities	4,019,230	4,547,213
Funds held at Community Foundation	<u>141,375</u>	<u>133,404</u>
	<u>\$ 4,321,170</u>	<u>\$ 4,855,375</u>

Total investment income is comprised of the following:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 267,036	\$ 224,315
Investment expenses	(23,720)	(22,917)
Net realized and unrealized gains	<u>294,384</u>	<u>371,182</u>
	<u>\$ 537,700</u>	<u>\$ 572,580</u>

### **Note 4. Beneficial Interest in Assets Held by Community Foundation of Greater Fort Wayne**

The Organization is the beneficiary of an endowment fund held by the Community Foundation of Greater Fort Wayne ("Community Foundation"). The Organization may receive a distribution of earnings from these funds quarterly, which is included as investment income in net assets without donor restrictions. The fund balance included in investments in the consolidated statement of financial position at June 30, 2025 and 2024, was \$141,375 and \$133,404, respectively.

In addition to the aforementioned fund at the Community Foundation, at June 30, 2025 and 2024, the Community Foundation has \$397,074 and \$363,888, respectively, in net assets for the benefit of the Organization; however, the Community Foundation's board of directors has variance power. Variance power means the Community Foundation's board has the power to change a restriction or condition of the distribution of funds for a specified charitable purpose or organization if the restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community. Therefore, these assets are not recorded on the accompanying consolidated statements of financial position.

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Notes to Consolidated Financial Statements (Continued) June 30, 2025 and 2024

### Note 5. Property and Equipment

Property and equipment consists of the following at June 30:

	<u>Estimated Useful Lives</u>	<u>2025</u>	<u>2024</u>
Land		\$ 2,344,607	\$ 2,344,607
Building and improvements	5 - 40 years	19,315,791	19,161,048
Leasehold improvements	9 years	295,307	295,307
Equipment	2 - 15 years	1,706,833	1,471,796
Vehicles	2 - 15 years	158,605	145,718
Construction in progress		-	67,552
		<u>23,821,143</u>	<u>23,486,028</u>
Less: Accumulated depreciation		<u>3,611,337</u>	<u>2,936,914</u>
		<u>\$ 20,209,806</u>	<u>\$ 20,549,114</u>

Depreciation and amortization expense for the years ended June 30, 2025 and 2024, was \$722,112 and \$697,145, respectively.

### Note 6. Leases

The following is a summary of the lease expense:

	<u>2025</u>	<u>2024</u>
Operating lease costs (included in operating expenses):		
Operating lease expense	\$ 206,467	\$ 427,873
Short-term lease cost	-	4,770
Variable lease payments	<u>89,297</u>	<u>44,065</u>
	<u>\$ 295,764</u>	<u>\$ 476,708</u>
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization	\$ 14,994	\$ 17,883
Interest on lease liabilities included in interest expense	<u>1,598</u>	<u>1,236</u>
	<u>\$ 16,592</u>	<u>\$ 19,119</u>

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Notes to Consolidated Financial Statements (Continued) June 30, 2025 and 2024

### Note 6. Leases (Continued)

Total rent expense under these leases was approximately \$200,000 for the year ended June 30, 2022. The Organization also paid approximately \$6,000 per month for the cost of insurance, repairs and maintenance, real estate taxes and common area maintenance (CAM) related to the property.

The following is a summary of the maturities of lease liabilities:

	<u>Operating</u>	<u>Finance</u>	<u>Total</u>
2026	\$ 188,602	\$ 16,000	\$ 204,602
2027	186,020	8,439	194,459
2028	190,045	5,217	195,262
2029	189,668	-	189,668
2030	173,818	-	173,818
Thereafter	<u>1,719,083</u>	<u>-</u>	<u>1,719,083</u>
Total lease payments	2,647,236	29,656	2,676,892
Less: interest	<u>(564,377)</u>	<u>(1,409)</u>	<u>(565,786)</u>
Present value of lease liabilities	<u>\$ 2,082,859</u>	<u>\$ 28,247</u>	<u>\$ 2,111,106</u>

The following summarizes the weighted average remaining lease term and discount rate:

Weighted Average Remaining Lease Term	<u>2025</u>	<u>2024</u>
Operating leases	13.99 years	15.08 years
Finance leases	2.25 years	3.1 years
Weighted Average Discount Rate		
Operating leases	3.80 %	3.87 %
Finance leases	4.60 %	4.54 %

### Note 7. Note Receivable

The note receivable from FWRM Investment Fund, LLC matures June 2044. It is secured by a 100% interest in the Sub-CDE's (see Note 14). The note requires quarterly interest payments at 1.0% through June 2026, then quarterly interest and principal payments of \$138,806 through maturity.

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



**Notes to Consolidated Financial Statements (Continued)**  
**June 30, 2025 and 2024**

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## **Note 8. Beneficial Interest in Charitable Trusts**

The Organization is the beneficiary under several charitable trusts administered by third party trustees. Under the terms of the trusts, the Organization has the irrevocable right to receive the net assets of specified portions of each trust's earnings on an annual basis, and at the end of the trust's term. The portion of the trust attributable to the future interest of the Organization is recorded in the consolidated statements of financial position as beneficial interest in charitable trusts. The beneficial interest in charitable trusts were recorded at the present value of the expected future cash flows discounted at 6%. The estimated value of the expected future cash flows is \$399,400 and \$418,700 at June 30, 2025 and 2024, respectively.

## **Note 9. Fair Value Measurements**

Fair value measurements are based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, and are determined by either the principal market or the most advantageous market.

Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy to prioritize the inputs used in the valuation techniques to derive fair values. The basis for fair value measurements for each level within the hierarchy is described below with Level 1 measurements having the highest priority and Level 3 measurements having the lowest priority.

- Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access at the measurement date.
- Level 2: Fair value is based on quoted prices in markets that are not active, quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Fair value is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

The asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Notes to Consolidated Financial Statements (Continued) June 30, 2025 and 2024

### Note 9. Fair Value Measurements (Continued)

*Money market funds:* Valued at net asset values ("NAV") of shares held by the Organization at year end. Money market funds seek to maintain a stable value of \$1 per share while earning interest for shareholders.

*Mutual funds:* Valued at the NAV of shares held at year end.

*Exchange traded funds and common stocks:* Valued at the closing price at year end, reported in the active market in which the units/shares are traded.

*Funds held at Community Foundation:* Valued based on the underlying investments held by and reported to the Organization by the Community Foundation.

*Beneficial interest in charitable trusts:* Valued based on the estimated present value of the future distributions expected to be received over the term of the agreements.

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

The following tables set forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis at June 30.

	<b>Assets at Fair Value as of June 30, 2025</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common stock - technology	\$ 49,925	\$ -	\$ -	\$ 49,925
Money market funds	-	160,565	-	160,565
Mutual funds				
Equity	708,445	-	-	708,445
Fixed income	<u>1,182,584</u>	-	-	<u>1,182,584</u>
Total mutual funds	1,891,029	-	-	1,891,029
Exchange traded funds				
Equity	1,835,285	-	-	1,835,285
Fixed income	<u>242,991</u>	-	-	<u>242,991</u>
Total exchange traded funds	2,078,276	-	-	2,078,276
Funds held at Community Foundation	-	-	141,375	141,375
Beneficial interest in charitable trusts	-	-	<u>399,400</u>	<u>399,400</u>
Total assets at fair value	<u>\$ 4,019,230</u>	<u>\$ 160,565</u>	<u>\$ 540,775</u>	<u>\$ 4,720,570</u>

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



**Notes to Consolidated Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**Note 9. Fair Value Measurements (Continued)**

	<b>Assets at Fair Value as of June 30, 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ -	\$ 174,758	\$ -	\$ 174,758
Mutual funds				
Equity	1,244,881	-	-	1,244,881
Fixed income	<u>1,265,246</u>	<u>-</u>	<u>-</u>	<u>1,265,246</u>
Total mutual funds	2,510,127	-	-	2,510,127
Exchange traded funds				
Equity	1,622,350	-	-	1,622,350
Fixed income	<u>414,736</u>	<u>-</u>	<u>-</u>	<u>414,736</u>
Total exchange traded funds	2,037,086	-	-	2,037,086
Funds held at Community Foundation	-	-	133,404	133,404
Beneficial interest in charitable trusts	<u>-</u>	<u>-</u>	<u>418,700</u>	<u>418,700</u>
Total assets at fair value	<u>\$ 4,547,213</u>	<u>\$ 174,758</u>	<u>\$ 552,104</u>	<u>\$ 5,274,075</u>

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Notes to Consolidated Financial Statements (Continued) June 30, 2025 and 2024

### Note 9. Fair Value Measurements (Continued)

The table below presents information about the changes in Level 3 assets, which are measured at fair value on a recurring basis using significant unobservable inputs:

	<b>Funds Held at Community Foundation</b>	<b>Beneficial Interest in Charitable Trusts</b>
Balance, July 1, 2023	\$ 124,809	\$ 414,200
Net realized and unrealized gains	10,591	4,500
Interest and dividends	4,014	-
Grants	(5,368)	-
Fees	<u>(642)</u>	<u>-</u>
Balance, June 30, 2024	133,404	418,700
Net realized and unrealized gains (losses)	9,205	(19,300)
Interest and dividends	5,085	-
Grants	(5,612)	-
Fees	<u>(707)</u>	<u>-</u>
Balance, June 30, 2025	<u>\$ 141,375</u>	<u>\$ 399,400</u>

Gains and losses (realized and unrealized) included in changes in net assets for the periods in the preceding paragraph are reported in the consolidated statements of activities.

### Note 10. Line of Credit

The Organization has a line of credit agreement with a bank that provides for a maximum borrowing of \$3,000,000, with interest at the Secured Overnight Funding Rate (SOFR) plus 1.5% (5.83% at June 30, 2025), subject to a borrowing base and a floor of 2.75%. The line is collateralized by substantially all of the Foundation's marketable securities. The balance outstanding at June 30, 2025 and 2024, was \$1,236,167 and \$1,316,167, respectively. The line will expire in June 2026.

### Note 11. Long-Term Debt

Long-term debt consists of the following at June 30,:

	<u>2025</u>	<u>2024</u>
Promissory note agreement with YWCA Northeast Indiana, Inc. for \$1,368,750. This note is non-interest bearing and matures on the date that the Organization takes possession of the building.	\$ -	\$ 456,250

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Notes to Consolidated Financial Statements (Continued) June 30, 2025 and 2024

### Note 11. Long-Term Debt (Continued)

	<u>2025</u>	<u>2024</u>
Construction loan agreement with a bank for draws up to \$6,500,000 (\$155,764 available for draw at June 30, 2025), with interest at 4.00%, quarterly interest payments, maturing June 2026, secured by substantially all assets of Support and certain assets of the Mission.	\$ 3,344,236	\$ 3,344,236
Note payable to FWNMRF CDE IX, LLC, with interest at 1.0806%, quarterly interest payments through June 2026, then quarterly principal and interest payments of \$83,184 through maturity in June 2049, secured by substantially all assets of Support.	6,768,000	6,768,000
Note payable to FWNMRF CDE IX, LLC, with interest at 1.0806%, quarterly interest payments through March 2026, a payment of interest plus \$100,000 September 2026, then quarterly principal and interest payments of \$36,037 through maturity in June 2049, secured by substantially all assets of Support.	3,032,000	3,032,000
Note payable to Consortium America 78, LLC, with interest at 1.0806%, quarterly interest payments through June 2026, then quarterly principal and interest payments of \$29,102 through maturity in June 2049, secured by substantially all assets of Support.	2,367,780	2,367,780
Note payable to Consortium America 78, LLC, with interest at 1.0806%, quarterly interest payments through June 2026, then quarterly principal and interest payments of \$11,249 through maturity in June 2049, secured by substantially all assets of Support.	<u>915,220</u>	<u>915,220</u>
	16,427,236	16,883,486
Less: Current maturities	3,444,236	456,250
Less: Unamortized loan costs	<u>57,342</u>	<u>145,558</u>
	<u>\$ 12,925,658</u>	<u>\$ 16,281,678</u>

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Notes to Consolidated Financial Statements (Continued) June 30, 2025 and 2024

### Note 11. Long-Term Debt (Continued)

Maturities of long-term debt for the five years ending after June 30, 2025, and in the aggregate, are as follows:

2026	\$ 3,444,236
2027	499,964
2028	505,391
2029	510,875
2030	516,420
Thereafter	<u>10,950,350</u>
	<u>\$ 16,427,236</u>

Interest expense on all borrowings for the years ended June 30, 2025 and 2024, was \$436,553 and \$443,611, respectively.

### Note 12. Net Assets

Net assets with donor restrictions are restricted as follows at June 30:

	<u>2025</u>	<u>2024</u>
Beneficial interest - fixed term trust (time)	\$ 92,300	\$ 85,400
Charis House capital expenditure fund (purpose)	-	312,500
Contributions receivable (time and purpose)	750,000	600,000
Investment in perpetuity, the income of which is expendable to support any activity of the Organization	<u>313,715</u>	<u>339,915</u>
	<u>\$ 1,156,015</u>	<u>\$ 1,337,815</u>

Net assets were released from restrictions as follows:

	<u>2025</u>	<u>2024</u>
Charis House capital expenditure	\$ 312,500	\$ -
Time restrictions expired due to collection of contributions receivable and appropriate use of funds	<u>350,000</u>	<u>350,000</u>
	<u>\$ 662,500</u>	<u>\$ 350,000</u>

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Notes to Consolidated Financial Statements (Continued) June 30, 2025 and 2024

### Note 13. Liquidity and Availability of Resources

The Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting use, within one year of the consolidated statements of financial position date, are comprised of the following:

	<u>2025</u>	<u>2024</u>
Financial assets at June 30:		
Cash and cash equivalents	\$ 1,175,151	\$ 2,014,761
Cash - restricted	181,830	252,636
Other receivable	-	817
Contributions receivable, net of unamortized discount	1,814,644	3,064,393
Investments	4,321,170	4,855,375
Beneficial interest in charitable trusts	399,400	418,700
Note receivable	<u>9,135,780</u>	<u>9,135,780</u>
Total financial assets	17,027,975	19,742,462
Less: Financial assets not available to be used within one year:		
Cash - restricted	181,830	252,636
Contributions receivable not due within one year	621,495	994,549
Beneficial interest in charitable trusts	399,400	418,700
Note receivable not due within one year	9,135,780	9,135,780
Restricted by donors in perpetuity	<u>6,615</u>	<u>6,615</u>
Total financial assets not available for general expenditures within one year	<u>10,345,120</u>	<u>10,808,280</u>
Total financial assets available for general expenditures within one year	<u>\$ 6,682,855</u>	<u>\$ 8,934,182</u>

The Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a line of credit in the amount of \$3,000,000 (\$1,763,833 available at June 30, 2025) which can be drawn upon.

The Organization has restricted cash to be used only for costs related to the NMTC transaction (see Note 14) and must be approved by the lender before disbursement. Additionally, the Organization has a beneficial interest in charitable trusts with limited availability (see Note 4). These items are reflected in the amounts above as financial assets not available to be used.

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



**Notes to Consolidated Financial Statements (Continued)**  
**June 30, 2025 and 2024**

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## **Note 14. New Market Tax Credits**

In June 2019, the Organization entered into a New Markets Tax Credit ("NMTC") financing transaction to fund a portion of the cost of construction of a new 76,000 square foot facility in Fort Wayne, Indiana. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000 ("Act") and is intended to induce capital investment in qualified low-income communities. The Act permits taxpayers to claim credits against their Federal income taxes for up to 39% of qualified investments in the equity of Community Development Entities ("CDE"). A CDE is a privately managed investment institution that is certified to make qualified low-income community investments ("QLICI") loans. The NMTC structure includes the Mission (through Support), as a leverage lender, and the tax credit investor is PNC New Markets Investment Partners, LLC, an entity formed for purposes of New Market Tax Credit transactions by PNC Bank, N.A.

In June 2019, PNC New Markets Investments Partners, LLC made a \$4,581,720 capital contribution to FWRM Investment Fund, LLC, a qualified equity investment fund. At the same time, Mission (as Leverage Lender) made a \$9,135,780 leveraged loan to the same investment fund (see Note 7). In turn FWRM Investment Fund, LLC made a \$13,350,000 capital contribution to FWNMRF CDE IX LLC ("Sub-CDE I") and Consortium America 78, LLC ("Sub-CDE II"), each recognized as a qualified community development entity (noted above), or Sub-CDE in this structure. After deducting certain fees associated with the transaction, each made two QLICI loans to Support for a combined total of \$13,083,000. In this structure, Support is designated as a qualified active low-income community benefit entity ("QALICB"). The QLICI loans bear interest at a rate of 1.0806% and mature in 2049. Interest-only payments due quarterly are made during the first seven years of the notes. See Note 11.

The NMTC is subject to 100% recapture for a period of seven years as provided in the Internal Revenue Code. The Organization is required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangement. Non-compliance with applicable requirements could result in projected tax benefits not being realized and, therefore, could require the Organization to indemnify the investors for any loss or recapture of NMTCs related to the financing until such time as the Organization's obligation to deliver tax benefits is relieved. The Organization does not anticipate any credit recaptures in connection with this arrangement. This transaction includes a put/call provision that becomes effective at the end of the seven year compliance/recapture period. Under the put/call provision, the Organization may be obligated or entitled to purchase the investor's interest in FWRM Investment Fund, LLC. The Organization believes the investors will exercise the put option in June 2026 at the end of the compliance/recapture period. The value attributed to the put/call provision is de minimis.

# **FORT WAYNE RESCUE MISSION MINISTRIES, INC.**



**Notes to Consolidated Financial Statements (Continued)**  
**June 30, 2025 and 2024**

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## **Note 15. Employee Benefit Plan**

The Mission has a defined contribution plan (the "Plan") under Section 403(b) of the Internal Revenue Code. Generally, all employees, working 20 hours or more per week, may enter the Plan immediately upon employment. Under the Plan, full-time employees, who are 21 years of age, have one year of service, and complete 1,000 hours of service within the Plan year, are eligible to receive a discretionary employer match contribution. For the years ended June 30, 2025 and 2024, the employer match was 50% of employee contributions not to exceed 6% of the employee's regular wages. Additionally, the Mission may make a discretionary contribution. For the years ended June 30, 2025 and 2024, the discretionary contribution was 6% of the employee's regular wages. The Mission incurred expenses, related to the Plan, of approximately \$314,000 and \$285,000 for the years ended June 30, 2025 and 2024, respectively.

## **Note 16. Credit Risk, Commitments and Contingencies**

The Organization invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Investment managers are engaged by the Organization. Although the fair value of investments is subject to fluctuation on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization.

The Organization received a Paycheck Protection Program (PPP) loan for approximately \$740,000 during the year ended June 30, 2020. The Organization recorded the loan as grant revenue under ASC 958, *Not-for-Profit Entities: Revenue Recognition* as the requirements for forgiveness were met during the year ended June 30, 2020. The Organization received forgiveness from the Small Business Administration in May 2021. The Small Business Administration has the authority to audit the loan until May 2027.

## **Note 17. Subsequent Event**

During October 2025, the Organization entered into a four year lease for computer equipment with monthly payments of approximately \$600.

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Consolidating Statement of Financial Position June 30, 2025

	<b>Fort Wayne Rescue Mission Ministries, Inc. d/b/a The Rescue Mission</b>	<b>Fort Wayne Rescue Mission Ministries Foundation, Inc.</b>	<b>FWRM Support Corporation</b>	<b>Eliminations</b>	<b>Total</b>
<b><u>ASSETS</u></b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,164,471	\$ 10,680	\$ -	\$ -	\$ 1,175,151
Contributions receivable	1,193,149	-	-	-	1,193,149
Prepaid expenses and other assets	19,213	-	-	-	19,213
Investments	<u>48,668</u>	<u>4,272,502</u>	<u>-</u>	<u>-</u>	<u>4,321,170</u>
Total Current Assets	2,425,501	4,283,182	-	-	6,708,683
<b>NET PROPERTY AND EQUIPMENT</b>	2,958,063	-	17,251,743	-	20,209,806
<b>RIGHT OF USE ASSETS - OPERATING</b>	2,022,112	-	-	-	2,022,112
<b>RIGHT OF USE ASSETS - FINANCE</b>	27,880	-	-	-	27,880
<b>OTHER ASSETS</b>					
Cash - restricted	-	-	181,830	-	181,830
Note receivable	9,135,780	-	-	-	9,135,780
Contributions receivable	621,495	-	-	-	621,495
Beneficial interest in charitable trusts	<u>399,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>399,400</u>
Total Other Assets	<u>10,156,675</u>	<u>-</u>	<u>181,830</u>	<u>-</u>	<u>10,338,505</u>
<b>TOTAL ASSETS</b>	<u>\$ 17,590,231</u>	<u>\$ 4,283,182</u>	<u>\$ 17,433,573</u>	<u>\$ -</u>	<u>\$ 39,306,986</u>

(Continued)

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Consolidating Statement of Financial Position (Continued)

June 30, 2025

	Fort Wayne Rescue Mission Ministries, Inc. d/b/a The Rescue Mission	Fort Wayne Rescue Mission Ministries Foundation, Inc.	FWRM Support Corporation	Eliminations	Total
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b>CURRENT LIABILITIES</b>					
Line of credit	\$ 1,236,167	\$ -	\$ -	\$ -	\$ 1,236,167
Accounts payable	83,830	-	-	-	83,830
Accrued expenses	213,654	-	22,056	-	235,710
Current maturities of long-term debt	-	-	3,444,236	-	3,444,236
Current portion of operating lease liability	114,007	-	-	-	114,007
Current portion of finance lease liabilities	<u>15,079</u>	-	-	-	<u>15,079</u>
Total Current Liabilities	1,662,737	-	3,466,292	-	5,129,029
<b>NONCURRENT LIABILITIES</b>					
Long-term debt	-	-	12,925,658	-	12,925,658
Operating lease liabilities, less current portion	1,968,852	-	-	-	1,968,852
Finance lease liabilities, less current portion	<u>13,168</u>	-	-	-	<u>13,168</u>
Total Noncurrent Liabilities	<u>1,982,020</u>	-	<u>12,925,658</u>	-	<u>14,907,678</u>
Total Liabilities	3,644,757	-	16,391,950	-	20,036,707
<b>NET ASSETS</b>					
Without donor restrictions	12,789,459	4,283,182	1,041,623	-	18,114,264
With donor restrictions	<u>1,156,015</u>	-	-	-	<u>1,156,015</u>
Total Net Assets	<u>13,945,474</u>	<u>4,283,182</u>	<u>1,041,623</u>	-	<u>19,270,279</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 17,590,231</u>	<u>\$ 4,283,182</u>	<u>\$ 17,433,573</u>	<u>\$ -</u>	<u>\$ 39,306,986</u>

See Independent Auditors' Report on Pages 1 - 2.

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Consolidating Statement of Activities Year Ended June 30, 2025

	Fort Wayne Rescue Mission Ministries, Inc. d/b/a The Rescue Mission	Fort Wayne Rescue Mission Ministries Foundation, Inc.	FWRM Support Corporation	Eliminations	Total
<b>SUPPORT AND REVENUE</b>					
Contributions and grants	\$ 6,305,892	\$ 57,650	\$ -	\$ -	\$ 6,363,542
In-kind contributions	792,408	-	-	-	792,408
United Way	19,512	-	-	-	19,512
Thrift store	1,232,537	-	-	-	1,232,537
Investment income	98,329	439,302	69	-	537,700
Change in value of charitable trusts	(19,300)	-	-	-	(19,300)
Other	125	-	459,805	(459,805)	125
Contributions to (from)	<u>1,338,415</u>	<u>(1,105,612)</u>	<u>(232,803)</u>	<u>-</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<b>9,767,918</b>	<b>(608,660)</b>	<b>227,071</b>	<b>(459,805)</b>	<b>8,926,524</b>
<b>EXPENSES</b>					
Emergency shelter for the homeless and transient	1,432,510	-	131,318	-	1,563,828
Short term residence and rehabilitation	2,197,573	-	198,864	-	2,396,437
Resident and community meals	1,056,268	-	-	-	1,056,268
Long term residence and rehabilitation	2,163,792	-	143,926	-	2,307,718
Store/warehouse	<u>1,335,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,335,466</u>
Total program expense	8,185,609	-	474,108	-	8,659,717
Management and general	1,599,073	-	406,034	(459,805)	1,545,302
Fundraising	<u>1,307,515</u>	<u>-</u>	<u>3,053</u>	<u>-</u>	<u>1,310,568</u>
Total Expenses	<u>11,092,197</u>	<u>-</u>	<u>883,195</u>	<u>(459,805)</u>	<u>11,515,587</u>
<b>CHANGE IN NET ASSETS</b>	<b>(1,324,279)</b>	<b>(608,660)</b>	<b>(656,124)</b>	<b>-</b>	<b>(2,589,063)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>15,269,753</u>	<u>4,891,842</u>	<u>1,697,747</u>	<u>-</u>	<u>21,859,342</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 13,945,474</u>	<u>\$ 4,283,182</u>	<u>\$ 1,041,623</u>	<u>\$ -</u>	<u>\$ 19,270,279</u>

See Independent Auditors' Report on Pages 1 - 2.

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Consolidating Statement of Financial Position June 30, 2024

	Fort Wayne Rescue Mission Ministries, Inc. d/b/a The Rescue Mission	Fort Wayne Rescue Mission Ministries Foundation, Inc.	FWRM Support Corporation	Eliminations	Total
<b><u>ASSETS</u></b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,961,730	\$ 53,031	\$ -	\$ -	\$ 2,014,761
Other receivables	817	-	-	-	817
Contributions receivable	2,069,844	-	-	-	2,069,844
Prepaid expenses and other assets	13,184	-	-	-	13,184
Investments	<u>16,564</u>	<u>4,838,811</u>	-	-	<u>4,855,375</u>
Total Current Assets	4,062,139	4,891,842	-	-	8,953,981
<b>NET PROPERTY AND EQUIPMENT</b>	2,800,270	-	17,748,844	-	20,549,114
<b>RIGHT OF USE ASSETS - OPERATING</b>	2,102,330	-	-	-	2,102,330
<b>RIGHT OF USE ASSETS - FINANCE</b>	42,874	-	-	-	42,874
<b>OTHER ASSETS</b>					
Cash - restricted	-	-	252,636	-	252,636
Note receivable	9,135,780	-	-	-	9,135,780
Contributions receivable	994,549	-	-	-	994,549
Beneficial interest in charitable trusts	<u>418,700</u>	-	-	-	<u>418,700</u>
Total Other Assets	<u>10,549,029</u>	-	<u>252,636</u>	-	<u>10,801,665</u>
<b>TOTAL ASSETS</b>	<u>\$ 19,556,642</u>	<u>\$ 4,891,842</u>	<u>\$ 18,001,480</u>	<u>\$ -</u>	<u>\$ 42,449,964</u>

(Continued)

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Consolidating Statement of Financial Position (Continued)

June 30, 2024

	Fort Wayne Rescue Mission Ministries, Inc. d/b/a The Rescue Mission	Fort Wayne Rescue Mission Ministries Foundation, Inc.	FWRM Support Corporation	Eliminations	Total
<b><u>LIABILITIES AND NET ASSETS</u></b>					
<b>CURRENT LIABILITIES</b>					
Line of credit	\$ 1,316,167	\$ -	\$ -	\$ -	\$ 1,316,167
Accounts payable	150,801	-	-	-	150,801
Accrued expenses	176,843	-	22,055	-	198,898
Current maturities of long-term debt	456,250	-	-	-	456,250
Current portion of operating lease liability	106,497	-	-	-	106,497
Current portion of finance lease liabilities	<u>15,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,050</u>
Total Current Liabilities	2,221,608	-	22,055	-	2,243,663
<b>NONCURRENT LIABILITIES</b>					
Long-term debt	-	-	16,281,678	-	16,281,678
Operating lease liabilities, less current portion	2,037,034	-	-	-	2,037,034
Finance lease liabilities, less current portion	<u>28,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,247</u>
Total Noncurrent Liabilities	<u>2,065,281</u>	<u>-</u>	<u>16,281,678</u>	<u>-</u>	<u>18,346,959</u>
Total Liabilities	4,286,889	-	16,303,733	-	20,590,622
<b>NET ASSETS</b>					
Without donor restrictions	13,931,938	4,891,842	1,697,747	-	20,521,527
With donor restrictions	<u>1,337,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,337,815</u>
Total Net Assets	<u>15,269,753</u>	<u>4,891,842</u>	<u>1,697,747</u>	<u>-</u>	<u>21,859,342</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 19,556,642</u>	<u>\$ 4,891,842</u>	<u>\$ 18,001,480</u>	<u>\$ -</u>	<u>\$ 42,449,964</u>

See Independent Auditors' Report on Pages 1 - 2.

# FORT WAYNE RESCUE MISSION MINISTRIES, INC.



## Consolidating Statement of Activities Year Ended June 30, 2024

	Fort Wayne Rescue Mission Ministries, Inc. d/b/a The Rescue Mission	Fort Wayne Rescue Mission Ministries Foundation, Inc.	FWRM Support Corporation	Eliminations	Total
<b>SUPPORT AND REVENUE</b>					
Contributions and grants	\$ 7,339,466	\$ 15,656	\$ -	\$ -	\$ 7,355,122
In-kind contributions	675,000	-	-	-	675,000
United Way	30,598	-	-	-	30,598
Thrift store	1,228,356	-	-	-	1,228,356
Investment income	96,902	475,589	89	-	572,580
Change in value of charitable trusts	4,500	-	-	-	4,500
Other	17,225	-	457,935	(457,935)	17,225
Contributions to (from)	<u>1,355,752</u>	<u>(255,368)</u>	<u>(1,100,384)</u>	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>10,747,799</u>	<u>235,877</u>	<u>(642,360)</u>	<u>(457,935)</u>	<u>9,883,381</u>
<b>EXPENSES</b>					
Emergency shelter for the homeless and transient	1,500,843	-	133,648	-	1,634,491
Short term residence and rehabilitation	1,947,150	-	202,391	-	2,149,541
Resident and community meals	935,904	-	-	-	935,904
Long term residence and rehabilitation	2,101,563	-	146,479	-	2,248,042
Store/warehouse	<u>1,316,682</u>	-	-	-	<u>1,316,682</u>
Total program expense	7,802,142	-	482,518	-	8,284,660
Management and general	1,514,176	-	406,760	(457,935)	1,463,001
Fundraising	<u>1,346,019</u>	-	<u>3,107</u>	-	<u>1,349,126</u>
Total Expenses	<u>10,662,337</u>	<u>-</u>	<u>892,385</u>	<u>(457,935)</u>	<u>11,096,787</u>
<b>CHANGE IN NET ASSETS</b>	85,462	235,877	(1,534,745)	-	(1,213,406)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>15,184,291</u>	<u>4,655,965</u>	<u>3,232,492</u>	-	<u>23,072,748</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 15,269,753</u>	<u>\$ 4,891,842</u>	<u>\$ 1,697,747</u>	<u>\$ -</u>	<u>\$ 21,859,342</u>

See Independent Auditors' Report on Pages 1 - 2.