DENVER
RESCUE
MISSION

DENVER RESCUE MISSION AND SUBSIDIARIES

Consolidated Financial Statements
With Independent Auditor's Report

June 30, 2026 and 2025

DENVER RESCUE MISSION AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Denver Rescue Mission and Subsidiaries
Denver, Colorado

Opinion

We have audited the accompanying consolidated financial statements of Denver Rescue Mission and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Denver Rescue Mission and Subsidiaries as of June 30, 2026 and 2025, 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 Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are required to be independent of Denver Rescue Mission and Subsidiaries 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 Denver Rescue Mission and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Board of Directors
Denver Rescue Mission and Subsidiaries
Denver, Colorado

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 Denver Rescue Mission and Subsidiaries' 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 Denver Rescue Mission and Subsidiaries' 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 audits.

Centennial, Colorado
September 30, 2026

DENVER RESCUE MISSION AND SUBSIDIARIES

Consolidated Statements of Financial Position

	June 30, 2026	June 30, 2025
ASSETS:		
Cash and cash equivalents	$ 20,696,125	$ 13,858,076
Investments	4,655,670	7,453,935
Accounts receivable	2,485,747	2,468,141
Prepaid expenses and other assets	878,158	902,350
Contributed non-financial asset inventory	805,249	504,388
Contributions and grants receivable–net	564,848	590,405
Cash restricted for capital projects	666,615	3,791,164
Land, buildings, and equipment–net	54,311,500	40,583,640
Total Assets	$ 85,063,912	$ 70,152,099
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	$ 3,364,491	$ 910,001
Accrued expenses and other liabilities	2,212,393	2,515,481
Debt–net	5,184,368	5,399,364
Program-related investment payable-net	1,884,447	-
Total liabilities	12,645,699	8,824,846
Net assets:		
Without donor restrictions	55,566,503	57,216,068
With donor restrictions	16,851,710	4,111,185
Total net assets	72,418,213	61,327,253
Total Liabilities and Net Assets	$ 85,063,912	$ 70,152,099

See notes to financial statements

DENVER RESCUE MISSION AND SUBSIDIARIES

Consolidated Statements of Activities

	Year Ended June 30,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions:						
Individuals, businesses, and others	$ 18,705,580	$ 24,426,824	$ 43,132,404	$ 19,182,185	$ 10,870,847	$ 30,053,032
Contributions of non-financial assets	11,368,915	-	11,368,915	10,295,489	-	10,295,489
Donated rent	-	796,615	796,615	-	710,528	710,528
	30,074,495	25,223,439	55,297,934	29,477,674	11,581,375	41,059,049
Program service contract revenue	11,946,280	-	11,946,280	11,892,053	-	11,892,053
Investment and other income (loss)	901,233	(393,335)	507,898	958,155	-	958,155
Total Support and Revenue	42,922,008	24,830,104	67,752,112	42,327,882	11,581,375	53,909,257
NET ASSETS RELEASED FROM:						
Purpose and time restrictions	12,089,579	(12,089,579)	-	10,666,576	(10,666,576)	-
EXPENSES:						
Program services	47,366,560	-	47,366,560	43,074,564	-	43,074,564
Supporting activities:						
General and administrative	1,939,259	-	1,939,259	1,671,675	-	1,671,675
Fundraising	7,355,333	-	7,355,333	7,078,524	-	7,078,524
Total Expenses	56,661,152	-	56,661,152	51,824,763	-	51,824,763
Change in Net Assets	(1,649,565)	12,740,525	11,090,960	1,169,695	914,799	2,084,494
Net Assets, Beginning of Year	57,216,068	4,111,185	61,327,253	56,046,373	3,196,386	59,242,759
Net Assets, End of Year	$ 55,566,503	$ 16,851,710	$ 72,418,213	$ 57,216,068	$ 4,111,185	$ 61,327,253

See notes to financial statements

DENVER RESCUE MISSION AND SUBSIDIARIES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2026

	Program Services:						Supporting Activities:			
	Emergency Services	Community Outreach	Transitional	Rehabilitation	Prevention & Diversion	Total Program Services	General and Adminis-trative	Fundraising	Total Supporting Activities	Total Expenses
Salaries and benefits	$ 11,532,077	$ 2,297,739	$ 6,451,141	$ 3,847,557	$ 621,430	$ 24,749,944	$ 805,450	$ 2,888,355	$ 3,693,805	$ 28,443,749
Food, clothing, and other non-financial asset distributions	1,970,290	8,094,108	14,215	988,121	262	11,066,996	220	838	1,058	11,068,054
Facility and maintenance	2,553,718	364,565	617,041	492,839	49,668	4,077,831	324,759	119,153	443,912	4,521,743
Professional services	1,541,389	17,568	207,162	175,037	4,552	1,945,708	363,252	2,151,010	2,514,262	4,459,970
Depreciation	902,435	366,509	647,081	549,736	14,260	2,480,021	11,894	45,861	57,755	2,537,776
Office and miscellaneous	283,062	80,133	160,566	105,926	26,567	656,254	426,583	366,625	793,208	1,449,462
Printed material	3,481	3,479	2,145	1,044	120	10,269	638	1,420,358	1,420,996	1,431,265
Support to clients and others	199,725	210,699	189,945	203,773	489,827	1,293,969	176	1,845	2,021	1,295,990
Utilities	378,181	132,597	270,730	254,473	6,722	1,042,703	5,835	23,574	29,409	1,072,112
Media and marketing	15,364	13,927	8,325	4,211	1,038	42,865	452	337,714	338,166	381,031
Total Expenses	$ 19,379,722	$ 11,581,324	$ 8,568,351	$ 6,622,717	$ 1,214,446	$ 47,366,560	$ 1,939,259	$ 7,355,333	$ 9,294,592	$ 56,661,152
Percent of Total Expenses	35%	20%	15%	12%	2%	84%	3%	13%	16%	100%

See notes to financial statements

DENVER RESCUE MISSION AND SUBSIDIARIES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services:					Supporting Activities:			
	Emergency Services	Community Outreach	Transitional	Rehabilitation	Total Program Services	General and Adminis-trative	Fundraising	Total Supporting Activities	Total Expenses
Salaries and benefits	$ 10,102,760	$ 2,246,729	$ 5,812,161	$ 3,603,151	$ 21,764,801	$ 729,087	$ 2,211,112	$ 2,940,199	$ 24,705,000
Food, clothing, and other non-financial asset distributions	2,782,735	6,743,526	29,207	964,509	10,519,977	497	1,396	1,893	10,521,870
Facility and maintenance	2,396,205	353,602	684,023	471,026	3,904,856	356,467	128,414	484,881	4,389,737
Professional services	1,523,531	26,248	84,117	79,819	1,713,715	174,492	2,120,303	2,294,795	4,008,510
Depreciation	887,371	370,314	609,046	510,553	2,377,284	15,547	44,122	59,669	2,436,953
Office and miscellaneous	276,074	81,450	175,655	109,848	643,027	384,644	306,227	690,871	1,333,898
Printed material	6,015	5,139	3,978	1,467	16,599	2,845	1,846,032	1,848,877	1,865,476
Support to clients and others	206,086	279,315	453,075	197,144	1,135,620	123	1,419	1,542	1,137,162
Utilities	395,749	39,598	252,868	250,892	939,107	7,376	22,287	29,663	968,770
Media and marketing	23,299	20,494	10,118	5,667	59,578	597	397,212	397,809	457,387
Total Expenses	$ 18,599,825	$ 10,166,415	$ 8,114,248	$ 6,194,076	$ 43,074,564	$ 1,671,675	$ 7,078,524	$ 8,750,199	$ 51,824,763
Percent of Total Expenses	36%	20%	16%	12%	84%	2%	14%	16%	100%

See notes to financial statements

DENVER RESCUE MISSION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 11,090,960	$ 2,084,494
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,537,776	2,436,953
Amortization of loan origination fees	15,655	15,655
Contributions received for long-term purposes	(12,885,963)	(2,719,554)
Loss on disposal of land, buildings, and equipment	257,283	49,929
Net realized and unrealized investment gain	(33,433)	(194,855)
Reinvested interest and dividends	(718,454)	(759,228)
Receipt of contributed non-financial asset inventory	(11,368,915)	(10,295,489)
Distribution of contributed non-financial asset inventory	11,068,054	10,521,870
Contributed interest on program-related investment	(3,115,553)	-
Changes in operating assets and liabilities:		
Accounts receivable	(17,606)	134,707
Prepaid expenses and other assets	24,192	(142,118)
Contributions and grants receivable–net	25,557	196,686
Accounts payable	(308,625)	224,363
Accrued expenses and other liabilities	(303,088)	1,060,152
Net Cash Provided (Used) by Operating Activities	(3,732,160)	2,613,565
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of land, buildings, and equipment	(13,759,804)	(4,039,087)
Proceeds from sale of investments	10,856,930	17,029,910
Purchases of investments	(7,306,778)	(8,959,689)
Net Cash Provided (Used) by Investing Activities	(10,209,652)	4,031,134
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on debt	(220,651)	(211,719)
Line of credit issuance cost	(10,000)	-
Proceeds from issuance of program-related investment	5,000,000	-
Contributions received for long-term purposes	12,885,963	2,719,554
Net Cash Provided by Financing Activities	17,655,312	2,507,835
Change in Cash and Cash Equivalents	3,713,500	9,152,534
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	17,649,240	8,496,706
Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 21,362,740	$ 17,649,240

(continued)

See notes to financial statements

DENVER RESCUE MISSION AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(continued)

	Year Ended June 30,	
	2026	2025
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH CONSISTS OF:		
Cash and cash equivalents	$ 20,696,125	$ 13,858,076
Cash restricted for capital projects	666,615	3,791,164
	$ 21,362,740	$ 17,649,240
SUPPLEMENTAL DISCLOSURE AND NON-CASH ITEMS:		
Cash paid for interest	$ 213,706	$ 222,216
Purchases of land, buildings, and equipment with accounts payable	$ 2,979,512	$ 216,397

See notes to financial statements

1. NATURE OF ORGANIZATION:

The Denver Rescue Mission (the Mission), founded in 1892, is a Colorado corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, the Mission is subject to federal income tax on any unrelated business income tax. In addition, the Mission is not a private foundation under Section 509(c) of the IRC.

The purpose of the Denver Rescue Mission is to meet people who are experiencing homelessness or precariously housed at their physical and spiritual points of need. Through practical programs of case management, education and life skills, shelter, food, clothing distribution, financial assistance, and through Christian teaching, the Mission aims to return the poor, needy and homeless to society as productive, self-sufficient citizens. The Mission developed the following four core strategies to address homelessness in the greater Denver area and Northern Colorado:

Emergency Services:

For people experiencing homelessness and poverty, basic needs like food, shelter, water, clean restrooms, showers, and laundry services can be difficult to access. The Mission provides these services in order to build trust and develop relationships with the people we serve, encouraging them to consider long-term solutions. Emergency services include the following programs:

- 48th Avenue Center: 24/7 shelter for men with access to onsite case management, operated in partnership with the City of Denver with access to meals, showers, and laundry.
- Fort Collins Rescue Mission: 24/7 shelter for men and access meals, showers, laundry and off-site case management.
- Holly Center: overnight emergency shelter for men with access to showers.
- Lawrence Street Shelter: Overnight emergency shelter for men with access to showers.
- Lawrence Street Community Center: offers meals, restrooms, and access to Mission staff for encouragement and guidance.

Rehabilitation Programs:

The New Life Program is an educational program that equips men to overcome various challenges such as broken relationships, job loss, lack of education, and substance abuse and develop a renewed sense of hope and identity. The Mission offers the New Life Program at the two locations below:

- New Life Program at The Crossing: up to 1-year educational program for men.
- New Life Program at Harvest Farm: up to 1-year rural educational program for men. This program concluded in June 2026.

1. NATURE OF ORGANIZATION, continued:

The Mission developed the following four core strategies to address the homelessness in the greater Denver area and Northern Colorado, continued:

Transitional Programs:

The Mission's transitional programs help people who are experiencing homelessness transition into a sustainable, self-sufficient life. Many of our participants struggle with homelessness despite having a job or steady income. From an on-site living program to assistance with the first rent and deposit on a long term housing solution, the Mission's transitional programs meet the unique needs of individuals, working families, the elderly, and those with disabilities. The transitional programs include the following:

- Next Step Case Management Services: Provides housing-focused case management at 48th Avenue Shelter using to help guests obtain identification and vital documents, establish benefits and income, connect with healthcare and behavioral health providers, identify housing barriers, and become housing-ready.
- Bridge Program at The Crossing: A transitional housing program providing up to 12 months of housing, housing-focused case management, clinical services, and structured programming for individuals and families working toward permanent housing and greater self-sufficiency.
- Bridge Emergency Family Shelter: Short-term emergency shelter for families experiencing homelessness, with housing-focused case management and supportive services. Operated in partnership with the City of Denver.
- Bridge Program Youth: Provides trauma-informed, two-generation programming for children and youth in family-serving programs at The Crossing, including Bridge and Emergency Family Shelter, while supporting caregivers as they work toward housing stability.
- Complex Case Team: Intensive case management for individuals experiencing homelessness who have complex medical, behavioral health, cognitive, or other barriers requiring a higher level of coordinated support.

Prevention & Diversion Programs:

- Prevention: Provides targeted assistance to families experiencing an unexpected financial crisis that threatens their housing stability, helping households address immediate barriers and remain housed.
- Rapid Resolutions: Serves individuals and families through directed interventions designed to prevent shelter entry or support a rapid transition from homelessness to stable housing through financial or community-based resources.

1. NATURE OF ORGANIZATION, continued:

Community Outreach Programs:
The Mission's community outreach programs help better the lives of vulnerable neighbors in low-income households while strengthening the whole community. The Mission provides groceries, clothing, furniture, referrals to social services and more. Community outreach includes the following services:

- Ministry Outreach Center (MOC): Central warehouse facility including food, clothing and furniture distribution.
- Vehicle Donation Program: Vehicles are donated and repaired and then gifted to qualified graduates of Mission programs or sold to help fund the Mission.
- Volunteers: Thousands of volunteers serve meals, sort food and items, mentor, tutor, and much more.

The Mission receives the majority of its support from individuals, businesses, churches, and others within the Denver metropolitan area.

Pathways of Life Recovery Services, LLC (PLRS) is a Colorado limited liability company formed in 2025 to provide behavioral health and recovery services to individuals experiencing substance use, mental health, and related life challenges. PLRS will begin operations in fiscal year 2027.

Fort Collins Rescue Mission, LLC (FCRM) is a Colorado limited liability company formed in 2026. FCRM is dedicated to serving individuals experiencing homelessness and poverty in Northern Colorado. FCRM will begin operations in fiscal year 2027.

2. SIGNIFICANT ACCOUNTING POLICIES:

The Mission maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. Estimates that are particularly susceptible to significant change in the near term include functional allocation of expenses, depreciation/useful lives, discount of interest free program-related investment payable, valuation of investments, and valuation of contributed non-financial assets. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

Fort Collins Rescue Mission, LLC and Pathways of Life Recovery Services, LLC are wholly-owned subsidiaries of Denver Rescue Mission (collectively, the Mission). The consolidated financial statements of the Mission include the financial resources and activities of Fort Collins Rescue Mission, LLC and Pathways of Life Recovery Services, LLC. All significant intercompany balances and transactions have been eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking, savings, and money market accounts. As of June 30, 2026 and 2025, cash, including restricted cash, exceeded federally insured limits by approximately $19,551,000 and $14,818,000, respectively. Management has established an operating reserve, consisting of cash and cash equivalents and investments of $5,000,000, as of June 30, 2026 and 2025. These amounts are at the discretion of management and are not designated by the board of directors.

CASH RESTRICTED FOR CAPITAL PROJECTS

Cash restricted for capital projects consists of donor-restricted funds that have been restricted for capital project purposes that have not yet been expended.

ACCOUNTS RECEIVABLE

Accounts receivable consists of amounts due for various services and government contracts that have been provided. Management believes all accounts receivables are fully collectible. Therefore, an allowance for credit losses have not been recorded within the consolidated financial statements. Further, all amounts are expected to be collected within one year, therefore no table of future receipts has been presented. Accounts receivable as of June 30, 2026, 2025, and 2024, was $2,485,747, $2,468,141, and $2,602,848, respectively.

NON-FINANCIAL ASSET INVENTORY

Non-financial asset inventory consists of donated merchandise, such as food, clothing, and miscellaneous items, used in the operation of the Mission's programs. All such inventory is recorded at its estimated fair value at the date of donation and reported at its carrying amount thereafter.

CONTRIBUTIONS AND GRANTS RECEIVABLE–NET

Unconditional promises to give are recorded at net realizable value if, at the time the promise is received, the Mission expects to receive payment in one year or more. Grants receivable consists of amounts due from various foundations and are considered contributions and are recognized when unconditionally promised. Contributions and grants receivable not expected to be received in one year or less have been discounted. Management believes all contributions and grants receivable are fully collectible. See additional information regarding contributions and grants receivable in Note 8.

INVESTMENTS

Investments consist of certificates of deposit, treasury bills with original maturities of longer than three months, equity securities, exchange-traded funds, and cash equivalents pending reinvestment in accordance with the Mission's investment strategy. Cash and cash equivalents are carried at cost. Certificates of deposit and treasury bills are carried at either amortized cost or fair value based on whether they are traded securities. Investments received by gift are reported at fair value on the date of donation and thereafter reported in accordance with the above provisions. The Mission's policy is to liquidate donated securities and other marketable investments as soon as practical after receipt to minimize effects of market fluctuations. Unrealized gains or losses in fair value, interest, and dividends are recognized in investment and other income on the consolidated statements of activities in the year in which they occur.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment are recorded at cost or, if donated, at estimated fair value at the date of receipt. The Mission capitalizes fixed assets with a cost greater than $4,000. Repairs and maintenance are expenses as incurred. Land and construction in progress are not depreciated. Depreciation is calculated based on the straight-line method over the following estimated useful lives:

Land improvements	20 years
Buildings and improvements	10-30 years
Furniture and fixtures	5-10 years
Machinery and equipment	3-10 years
Vehicles	3-5 years

PROGRAM-RELATED INVESTMENT PAYABLE–NET

During fiscal year 2026, the Mission, through its wholly owned subsidiary Fort Collins Rescue Mission, LLC, entered into a Program-Related Investment ("PRI") loan agreement with a Foundation. Under the agreement, the Foundation provided a non-interest-bearing loan of $5,000,000 to support the construction of the Fort Collins Rescue Mission shelter facility. The loan is secured by a deed of trust on the Mission's leasehold interest in the project property with a book value of approximately $15,557,000 and is nonrecourse to the borrower. The entire principal balance is due on May 7, 2046, unless extended by the lender. No periodic principal or interest payments are required prior to maturity. The loan is reported net of an unamortized discount of $3,115,553 calculated based on an effective interest rate of 5%. Amortization on the discount was $0 for the year ended June 30, 2026.

NET ASSETS

Net assets include the following two classes:

Net assets without donor restrictions include resources that are available to support operations.

Net assets with donor restrictions include gifts that are restricted by the donor for various projects or are time-restricted. Net assets with donor restrictions consist of:

	June 30, 2026	June 30, 2025
Capital projects	$ 16,223,347	$ 3,791,164
Food and various programs	628,363	320,021
	$ 16,851,710	$ 4,111,185

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Contributions restricted by the donor for specified purposes are recorded as contributions with donor restrictions until the funds have been expended for the purposes specified. Donated materials, including contributions of non-financial assets and services, are recorded at estimated fair value. Clothing contributed to the Mission in excess of requirements for the Mission's internal programs is distributed to other relief organizations and Native American reservations. See additional information regarding contributions of non-financial assets in Note 6.

Program service contract revenue, which includes various city contracts, is recognized when earned, which is over time as services are provided. Investment and other income are recognized when earned, which is over time as services are provided.

EXPENSES

Expenses are recognized when incurred in accordance with the accrual basis of accounting.

FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Mission. These expenses include depreciation, interest, communications, information technology, and facilities and maintenance. Depreciation is allocated based on headcount, and interest is allocated based on usage of space. Costs of other categories were allocated on estimates of time and effort. Program services of the Mission are described in Note 1.

ADVERTISING

The Mission uses advertising to promote its programs among the audiences it serves and to raise funds. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2026 and 2025 was $330,744 and $392,820, respectively, which is reported in media and marketing on the consolidated statements of functional expenses.

3. LIQUIDITY AND AVAILABLITY OF RESOURCES:

The following reflects the Mission's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions.

	June 30,	
	2026	2025
Financial assets:		
Cash and cash equivalents	$ 20,696,125	$ 13,858,076
Investments	4,655,670	7,453,935
Accounts receivable	2,485,747	2,468,141
Contributions and grants receivable–net	564,848	590,405
Cash restricted for capital projects	666,615	3,791,164
Financial assets, at year end	29,069,005	28,161,721
Less those unavailable for general expenditure within one year, due to:		
Investments with maturities of greater than one year	(998,102)	(1,989,943)
Cash restricted for capital projects	(666,615)	(3,791,164)
Contributions and grants receivable not expected to be received within one year	(90,048)	(187,766)
Financial assets available to meet cash needs for general expenditures within one year	$ 27,314,240	$ 22,192,848

The Mission has $628,363 and $320,021 of donor-restricted net assets that are available for general expenditures within one year of June 30, 2026 and 2025, as the restrictions are expected to be met by conducting the normal activities of the Mission in the coming year. As of June 30, 2026 and 2025, the Mission has $16,223,347 and $3,791,164 of donor-restricted net assets that are restricted for capital projects, respectively. These amounts are excluded from the amounts available for general expenditures within one year of June 30, 2026 and 2025.

As part of the Mission's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Mission invests cash in excess of daily requirements in short-term investments. In addition, the Mission has access to a line of credit of $4,000,000 which is disclosed in Note 10.

4. INVESTMENTS

Investments consist of the following:

	June 30, 2026	June 30, 2025
Certificates of deposit	$ 4,293,839	$ 3,984,517
Cash and cash equivalents	264,824	-
Exchange-traded funds	88,398	-
Equity securities	8,609	-
Treasury bills	-	3,469,418
	$ 4,655,670	$ 7,453,935

Investment income was $756,715 and $887,884, for the years ended June 30, 2026 and 2025, respectively, which was reported on the consolidated statements of activities within investment and other income.

5. FAIR VALUE MEASUREMENTS:

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Mission has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

5. FAIR VALUE MEASUREMENTS, continued:

The asset or liability's fair value measurement 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2026 and 2025.

Certificates of deposit: valued at amortized cost plus accrued interest or using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Treasury bills: valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Exchange-traded funds and equities securities: Valued at the closing price reported on the active market on which the individual securities are traded.

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 Mission believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

5. FAIR VALUE MEASUREMENTS, continued:

Assets measured at fair value on a recurring basis as of June 30, 2026 consist of the following:

		Fair Value Measurements Using:		
	Total	Level 1	Level 2	Level 3
June 30, 2026:				
Investments held at fair market value:				
Certificates of deposit	$ 3,746,984	$ -	$ 3,746,984	$ -
Exchange-traded funds	88,398	88,398		
Equity securities	8,609	8,609	-	-
	3,843,991	$ 97,007	$ 3,746,984	$ -
Reconciling investments held at cost:				
Cash and cash equivalents	264,824			
Certificates of deposit	546,855			
Total investments	$ 4,655,670			

Assets measured at fair value on a recurring basis as of June 30, 2025 consist of the following:

		Fair Value Measurements Using:		
	Total	Level 1	Level 2	Level 3
June 30, 2025:				
Investments held at fair market value:				
Certificates of deposit	$ 3,448,263	$ -	$ 3,448,263	$ -
Treasury bills	3,469,418	-	3,469,418	-
	6,917,681	$ -	$ 6,917,681	$ -
Reconciling investments held at cost:				
Certificates of deposit	536,254			
Total investments	$ 7,453,935			

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

5. FAIR VALUE MEASUREMENTS, continued:

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended June 30, 2026, there were no significant transfers in or out of Levels 1, 2, or 3.

6. CONTRIBUTIONS OF NON-FINANCIAL ASSETS:

The Mission's contributions of non-financial assets activity is summarized below:

	Year Ended June 30, 2026			
	Beginning Inventory	Contributions	Distributions	Ending Inventory
Food	$ 264,422	$ 6,651,961	$ 6,418,767	$ 497,616
Furniture and other	185,513	1,538,640	1,481,073	243,080
Clothing	54,453	3,178,314	3,168,214	64,553
	$ 504,388	$ 11,368,915	$ 11,068,054	$ 805,249

	Year Ended June 30, 2025			
	Beginning Inventory	Contributions	Distributions	Ending Inventory
Food	$ 389,202	$ 5,694,084	$ 5,818,864	$ 264,422
Furniture and other	316,947	1,218,188	1,349,622	185,513
Clothing	24,620	3,383,217	3,353,384	54,453
	$ 730,769	$ 10,295,489	$ 10,521,870	$ 504,388

The Mission receives various forms of contributed non-financial assets, including food and non-food items such as clothing, household goods, hygiene products, and vehicles. These contributions are not donor restricted.

Food donations are utilized in all programs and shelters. Clothing, household goods, and hygiene products are also used in the programs, as well as distributed to those in need through the MOC warehouse. Vehicles are either gifted to program graduates or sold through auction.

6. CONTRIBUTIONS OF NON-FINANCIAL ASSETS, continued:

Contributed items received by the Mission are recorded as contributions of non-financial assets with a corresponding increase to inventory. Expenses are recognized when the items are distributed. The Mission utilized three inventory valuation methods during the years ended June 30, 2026 and 2025. These methods include (1) the average current price located on publicly available websites if the donated item is a match for the website item when donated. (food is not discounted because it is used right away, and out of date and spoiled food are excluded from inventory); (2) the average price located on publicly available websites less a discount if the item donated has been used but the item located online is new; and (3) the average trade-in value for vehicles on NADA, a publicly available website.

Donated rent is donated by the city of Denver to help operate the 48th Street Center under a conditional lease agreement. Donated rent is recorded when all conditions are met based on the estimated fair value using comparable properties in the Denver area.

7. LAND, BUILDINGS, AND EQUIPMENT–NET:

Land, buildings, and equipment–net consist of:

	June 30,	
	2026	2025
Land	$ 7,741,897	$ 7,741,897
Land improvements	673,544	620,085
Buildings and improvements	42,580,095	41,933,537
Machinery and equipment	4,749,504	4,803,838
Furniture and fixtures	951,489	987,598
Vehicles	1,408,606	1,336,862
	58,105,135	57,423,817
Less accumulated depreciation	(20,215,295)	(18,475,254)
	37,889,840	38,948,563
Construction in process	16,421,660	1,635,077
	$ 54,311,500	$ 40,583,640

8. CONTRIBUTIONS AND GRANTS RECEIVABLE–NET:

Contributions and grants receivable–net are expected to be received as follows:

	June 30, 2026	June 30, 2025
Amounts due in:		
Less than one year	$ 474,800	$ 402,639
One to five years	110,168	221,334
	584,968	623,973
Less discount	(20,120)	(33,568)
	$ 564,848	$ 590,405

9. DEBT–NET:

During the year ended June 30, 2023, the Mission borrowed funds generated from Colorado Educational and Cultural Facilities Authority (CECFA) Revenue Bond Series 2013 Bonds. The lender loaned the proceeds to the Mission pursuant to a financing agreement dated January 1, 2023 and a promissory note dated January 31, 2023. This CECFA note payable bears interest at a fixed rate of 3.89% and is collateralized by land, buildings, and equipment with a net book value of $8,425,122. Monthly principal and interest payments of approximately $36,200 are made according to a 30 year amortization schedule.

Future minimum principal payments are:

Year Ending June 30,	
2027	$ 229,514
2028	238,554
2029	247,958
2030	258,279
2031	268,655
Thereafter	4,054,469
	$ 5,297,429

Loan origination fees are recorded at cost and are amortized over the term of the loan agreement using the straight-line method. Accumulated amortization for the years ended June 30, 2026 and 2025 was $53,468 and $37,833, respectively.

9. DEBT–NET, continued:

In summary, debt–net consists of:

	June 30, 2026	June 30, 2025
Bonds payable	$ 5,297,429	$ 5,518,080
Less loan origination fees–net	(113,061)	(118,716)
	$ 5,184,368	$ 5,399,364

Certain note agreements contain various special provisions and covenants pertaining to, but not limited to, maintenance of a minimum fixed charge coverage ratio, permitted debt, permitted liens, and other various reporting obligations. Management believes the Mission was compliant with these requirements as of June 30, 2026 and 2025.

10. LINE OF CREDIT:

The Mission had access to a revolving line of credit, that matured in November 2025, in the amount of $600,000. The Mission has access to a separate revolving line of credit maturing April 2028, in the amount of $4,000,000. The line of credit has a variable interest rate and is for seasonal cash flow management. The Mission did not make any draws during the years ended June 30, 2026 and 2025.

11. RETIREMENT PLAN:

The Mission has a defined contribution plan covering substantially all employees. To encourage employee retention, the Mission makes contributions to the plan based on employee length of service and also matches employee contributions dollar for dollar up to 5% of eligible compensation. In addition, an incentive contribution of 0.33% per year of service times eligible compensation is paid annually after two years of employment. Employees vest immediately in employer contributions. Employer contributions to the plan for the years ended June 30, 2026 and 2025, were $464,390 and $652,219, respectively.

12. COMMITMENTS

During the year ended June 30, 2025, the Mission entered a construction agreement related to the Fort Collins Rescue Mission. As of June 30, 2026, the Mission had remaining commitments of approximately $10,616,000 yet to be incurred on the construction contract.

13. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through September 30, 2026, which represents the date the consolidated financial statements were available to be issued, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.