

CITY RESCUE MISSION, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024



Independent Auditors' Report

To the Board of Directors
City Rescue Mission, Inc.

Opinion

We have audited the accompanying financial statements of City Rescue Mission, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City Rescue Mission, Inc. as of December 31, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City Rescue Mission, 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City Rescue Mission, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City Rescue Mission, 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.

CPA&KC, PLLC

Oklahoma City, Oklahoma

July 22, 2026

CITY RESCUE MISSION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents (Note A)	\$ 4,061,973	\$ 463,162
Cash reserve for replacement - board restricted (Note B)	400,000	400,000
Investment -Goldman Sachs Funds	-	698,305
Grant receivables	235,463	104,164
Other receivable	-	1,703
Inventory	33,204	97,269
Prepaid expenses	149,040	126,228
Property, plant, and equipment, net (Note C)	6,862,097	7,369,797
Right to use assets - operating leases	27,746	48,603
TOTAL ASSETS	<u><u>\$ 11,769,523</u></u>	<u><u>\$ 9,309,231</u></u>
LIABILITIES		
Accounts payable	\$ 88,209	\$ 207,677
Accrued expenses	-	145,290
Right to use liabilities - operating leases	27,746	48,603
TOTAL LIABILITIES	115,955	401,570
NET ASSETS		
Without donor restrictions:		
Undesignated	8,646,563	8,248,685
Board designated (Note B)	400,000	400,000
	<u>9,046,563</u>	<u>8,648,685</u>
With donor restrictions (Note B)	2,607,005	258,976
TOTAL NET ASSETS	<u>11,653,568</u>	<u>8,907,661</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 11,769,523</u></u>	<u><u>\$ 9,309,231</u></u>

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

CITY RESCUE MISSION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31

	2025			2024		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE (Note A)						
Contributions	\$ 5,206,464	\$ -	\$ 5,206,464	\$ 4,542,265	\$ -	\$ 4,542,265
Grant Revenue (Note D)	407,418	3,882,943	4,290,361	307,704	673,923	981,627
Special events net of expenses	793,167	100,000	893,167	236,982	585,352	822,334
In-kind contributions	3,595,451	-	3,595,451	2,860,936	-	2,860,936
Café sales revenue	23,581	-	23,581	44,512	-	44,512
Miscellaneous income	20,454	-	20,454	8,461	-	8,461
Interest income	31,218	3,602	34,820	57,113	-	57,113
Net assets released from restrictions:						
Satisfaction of program restrictions	1,638,516	(1,638,516)	-	1,185,692	(1,185,692)	-
Total net assets released from restrictions	1,638,516	(1,638,516)	-	1,185,692	(1,185,692)	-
Total support and revenue	11,716,269	2,348,029	14,064,298	9,243,665	73,583	9,317,248
EXPENSES (Note E)						
Program services	9,826,012		9,826,012	8,690,598		8,690,598
General and administrative	604,343		604,343	437,823		437,823
Fundraising	888,036		888,036	1,057,782		1,057,782
Total expenses	11,318,391	-	11,318,391	10,186,203	-	10,186,203
CHANGE IN NET ASSETS	397,878	2,348,029	2,745,907	(942,538)	73,583	(868,955)
NET ASSETS AT BEGINNING OF YEAR	8,648,685	258,976	8,907,661	9,591,223	185,393	9,776,616
NET ASSETS AT END OF YEAR	<u>\$ 9,046,563</u>	<u>\$ 2,607,005</u>	<u>\$ 11,653,568</u>	<u>\$ 8,648,685</u>	<u>\$ 258,976</u>	<u>\$ 8,907,661</u>

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

CITY RESCUE MISSION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 2,745,907	\$ (868,955)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	584,014	610,776
(Increase) decrease in:		
Receivables	(129,596)	(58,487)
Inventory	64,065	(7,898)
Prepaid expenses	(22,812)	(24,195)
Increase (decrease) in:		
Accounts payable and accrued expenses	(264,758)	33,886
Net cash provided by (used in) operating activities	<u>2,976,820</u>	<u>(314,873)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in investments	698,305	617,731
Net acquisition of property and equipment	(76,314)	(338,751)
Net cash provided by investing activities	<u>621,991</u>	<u>278,980</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
	<u>-</u>	<u>-</u>
Net cash provided by financing activities	-	-
Net increase (decrease) in cash	3,598,811	(35,893)
Cash and cash equivalents at beginning of year	863,162	899,055
Cash and cash equivalents at end of year	<u>\$ 4,461,973</u>	<u>\$ 863,162</u>
Interest paid in cash	<u>\$ -</u>	<u>\$ -</u>

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

CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024

Description of the Organization

The City Rescue Mission, Inc. was incorporated in 1961 as a not-for-profit organization to serve those experiencing homelessness in the Oklahoma City metro area. City Rescue Mission offers a clean, safe, temporary place to stay and successful programs and services to help people transform their lives and end their homelessness.

Note A - Summary of Significant Accounting Policies

The Organization relies on charitable contributions from individuals, corporations, foundations and other not-for-profit entities to fund the services provided to the homeless population of Oklahoma City. Contributions are recognized as revenue when cash or non-cash gifts are received that do not require the Organization to transfer goods or services to 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 assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Inventory is stated at the estimated fair market value as of the date of donation or purchase. All expenditures for land, building, and equipment in excess of \$1,000 are capitalized; the fair value of donated fixed assets is similarly capitalized. Maintenance and repairs are expensed. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, ranging from three to thirty-one years.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024

Note A - Summary of Significant Accounting Policies, continued

The estimated fair market value of in-kind contributions are reported as support and expensed in the period in which the donations are received.

For the purpose of the statement of cash flows, the organization considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents may include certificates of deposit and commercial paper. The Organization has funds on deposit at a local bank in insured sweep accounts covered by FDIC insurance up to \$250,000 at each financial institution. Uninsured funds on deposit in banks total approximately \$815,185 and \$602,178 as of December 31, 2025 and 2024, respectively. The organization had funds on deposit at Goldman Sachs in a GS Financial Government Fund (not insured by the FDIC or a government agency) in the amount of \$698,305 at December 31, 2024.

The Organization is organized as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and, as such pays no income taxes, but is required to file a Federal form 990 with the Internal Revenue Service and Oklahoma State form 512E. The Organization has evaluated its status as a 501(c) (3) entity and does not believe this represents an uncertain tax position but believes this position would be upheld upon examination. The Organization is not aware of any additional tax positions that would not be upheld upon examination by tax authorities. Tax years 2021-2024 remain open to examination.

The Organization has adopted FASB ASU 2016-02, Leases (Topic842) and has recorded right-of-use (ROU) assets and lease liabilities for leases with terms greater than twelve months. Leases are classified as either finance or operating, with classification affecting the recognition of expense in the statement of operations. Leases with a term of 12 months or less will not record a ROU asset and lease liability and the lease payments will be recognized in operations on a straight-line basis over the lease term. The Company has no finance leases.

CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Note B – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for specified purposes:

	<u>12/31/2025</u>	<u>12/31/2024</u>
Capital Improvements & Renovations	\$ 100,000	\$ -
Housing Services	(18,579)	215,708
Dental Care	21,982	43,268
Family Services	2,503,602	-
Total	<u>\$ 2,607,005</u>	<u>\$ 258,976</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

Satisfaction of purpose restrictions:

	<u>2025</u>	<u>2024</u>
Capital Improvements & Renovations	\$ -	\$ 183,321
Housing Services	797,489	709,387
Dental Care	21,286	6,208
Employment Readiness	-	25,907
Emergency Winter Shelter	14,963	18,077
HUD Grants, Pass Through City of OKC	804,778	242,792
Total	<u>\$ 1,638,516</u>	<u>\$ 1,185,692</u>

The Organization's board of directors made a voluntary resolution to establish a reserve for replacement in the amount of \$400,000 in 2025 and 2024, respectively, to pay for major repairs and maintenance. This reserve is not included in the above net assets with donor restrictions.

CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Note C - Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. The basis of such assets at December 31, are as follows:

	<u>2025</u>	<u>2024</u>
Furniture, fixtures & equipment	\$1,529,498	\$1,488,698
Vehicles	148,492	148,492
Land and Improvements	1,049,480	1,049,480
Buildings and improvements	<u>13,897,112</u>	<u>13,861,598</u>
Total	16,624,582	16,548,268
Less accumulated depreciation	<u>(9,762,485)</u>	<u>(9,178,471)</u>
Net property, plant, and equipment	<u>\$6,862,097</u>	<u>\$7,369,797</u>

Note D – Grant Revenue

The Organization receives various grants from government related entities and also from private foundations.

The Organization received Emergency Winter Shelter funds from the City of Oklahoma City.

Emergency Winter Shelter: Offers temporary shelter and services during the winter months to protect individuals from extreme cold.

The Organization receives funding from the U.S. Department of Housing and Urban Development (HUD) for various programs aimed at addressing homelessness, including Rapid Re-Housing and Encampment Decommissioning. These funds are provided as pass-through grants through the City of Oklahoma City.

The grants are restricted for specific uses in line with HUD's mission to support individuals and families experiencing homelessness.

The Organization participates in several HUD-funded initiatives, each with distinct purposes:

Rapid Re-Housing: Provides short-term rental assistance and services to help people obtain and maintain housing.

Encampment Decommissioning: Involves relocating individuals from homeless encampments into safer housing options and providing necessary support services.

CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

Note D – Grant Revenue, continued

Grant revenue for the years ended December 31:

	<u>2025</u>	<u>2024</u>
City of Oklahoma City:		
Emergency Winter Shelter	\$ 14,963	\$ 18,077
HUD Grants, Pass Through City of Oklahoma City:		
COC Rapid Rehousing	369,117	7,492
ESG Rapid Rehousing	82,891	43,938
Encampment Decommissioning	352,770	191,362
	<u>804,778</u>	<u>242,792</u>
 Total Grants	 <u><u>\$ 819,741</u></u>	 <u><u>\$ 260,869</u></u>
 Private grants received:		
Capital Improvements	100,000	-
Housing Services	563,202	426,228
General Operations, Unrestricted	307,418	294,530
Family Services	2,500,000	-
	<u>3,470,620</u>	<u>720,758</u>
 Total Grants	 <u><u>\$ 4,290,361</u></u>	 <u><u>\$ 981,627</u></u>
 Grant revenue received with donor restrictions:		
City of Oklahoma City	\$ 14,963	\$ 18,077
HUD related	804,778	242,792
Private foundations	3,063,202	-
	<u>3,882,943</u>	<u>260,869</u>
 Grant revenue received without donor restrictions		
Private Donors	407,418	720,758
	<u>\$ 4,290,361</u>	<u>\$ 981,627</u>

CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024

Note E - Expenses

Expenses incurred for the year ended December 31, 2025:

	Program Services						Supportive Services		
	Family Services	Shelter Services	Permanent Housing Program and Services	Employment Readiness Services	Recovery and Rehabilitation Services	Total Program Services	Management & General	Fundraising	Total Expenses
Program Services and Supplies	\$ 1,617,388	\$ 1,657,352	\$ 1,152,166	\$ 164,053	\$ 718,890	\$ 5,309,849	\$ -	\$ -	\$ 5,309,849
Office Expense	37,901	41,516	19,145	7,773	18,576	124,911	179,804	232,637	537,352
Occupancy	181,047	230,685	111,248	8,107	97,605	628,692	15,728	7,311	651,731
Depreciation	187,789	193,480	102,430	14,956	85,359	584,014	-	-	584,014
Labor, wages, and related	689,933	1,005,409	561,990	59,625	454,889	2,771,846	404,310	353,607	3,529,763
Fundraising & Outreach	146,036	130,907	69,304	2,700	57,753	406,700	4,501	491,407	902,608
Total Expenses	2,860,094	3,259,349	2,016,283	257,214	1,433,072	9,826,012	604,343	1,084,962	11,515,317
Less expenses netted from revenues on the statement of activities:									
Special Event Expenses	-	-	-	-	-	-	-	(196,926)	(196,926)
Expenses reported on the statement of activities	\$ 2,860,094	\$ 3,259,349	\$ 2,016,283	\$ 257,214	\$ 1,433,072	\$ 9,826,012	\$ 604,343	\$ 888,036	\$ 11,318,391

Expenses incurred for the year ended December 31, 2024:

	Program Services						Supportive Services		
	Family Services	Shelter Services	Permanent Housing Program and Services	Employment Readiness Services	Recovery and Rehabilitation Services	Total Program Services	Management & General	Fundraising	Total Expenses
Program Services and Supplies	\$ 1,303,054	\$ 1,335,285	\$ 648,617	\$ 179,168	\$ 579,158	\$ 4,045,282	\$ -	\$ -	\$ 4,045,282
Office Expense	35,158	38,317	17,879	9,483	17,126	117,963	167,454	83,488	368,905
Occupancy	176,745	222,804	102,980	13,021	94,260	609,810	15,700	7,711	633,221
Depreciation	196,112	202,054	106,970	16,498	89,142	610,776	-	-	610,776
Labor, wages, and related	749,300	1,075,248	354,351	142,701	483,658	2,805,258	249,094	306,720	3,361,072
Fundraising & Outreach	166,242	167,395	88,621	5,400	73,851	501,509	5,575	861,401	1,368,485
Total Expenses	2,626,611	3,041,103	1,319,418	366,271	1,337,195	8,690,598	437,823	1,259,320	10,387,741
Less expenses netted from revenues on the statement of activities:									
Special Event Expenses	-	-	-	-	-	-	-	(201,538)	(201,538)
Expenses reported on the statement of activities	\$ 2,626,611	\$ 3,041,103	\$ 1,319,418	\$ 366,271	\$ 1,337,195	\$ 8,690,598	\$ 437,823	\$ 1,057,782	\$ 10,186,203

CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024

Note F – Right to Use Assets – Operating Office Equipment Leases

The Organization determines if an arrangement is a lease at inception or modification of a contract and classifies each lease as either an operating or finance lease based on the terms of the contract. Lease classification is reassessed subsequent to commencement upon a change to the expected lease term or a modification to the contract. A contract contains a lease if the contract conveys the right to control the use of the identified property or equipment, explicitly or implicitly, for a period of time in exchange for consideration. Control of an underlying asset is conveyed if the company obtains the rights to direct the use of and obtain substantially all of the economic benefit from the use of the underlying asset.

An operating lease asset represents the Organization's right to use the underlying asset as a lessee for the lease term and an operating lease liability represents the Organization's obligation to make lease payments arising from the lease. The Organization's leases generally do not provide an implicit rate, therefore the federal treasury rate is used based on the lease term and other information available at the commencement date in determining the present value of lease payments. Lease expense is recognized on a straight-line basis over the applicable lease term.

The Organization leases office equipment for \$1,909 per month. Total rent expense for the years ended December 31, 2025 and 2024 totaled \$22,913, per annum. The operating leases end in March and April 2027. The present value of the remaining lease payments for right to use assets and liabilities is \$27,746 and \$48,603 as of December 31, 2025 and 2024, respectively. The weighted-average remaining lease term is 1.2 years and the weighted-average discount rate use is 2.66%. At December 31, 2025, future minimum lease payments due under ASC 842 are summarized below by year:

2026	22,913
2027	<u>7,493</u>
Total future lease payments	30,406
Less effect of discounting	<u>(2,660)</u>
Present value of leases liabilities	<u>\$ 27,746</u>

CITY RESCUE MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024

Note G – Commitments and Contingencies

The Organization entered into a contract with Federal Home Loan Bank of San Francisco (“FHLB”) for matching funds to renovate and expand the Organization’s homeless housing capabilities. The contract provided for a \$1.5 million grant in return for providing housing for the homeless population of Oklahoma City for a period of fifteen years. Certain capital improvement expenditure milestones occurred to receive the grant in two payments of \$750,000 each. At June 30, 2012, the Organization had met the expenditure requirement to receive all of the \$1.5 million. The project was completed June 25, 2013 and the contingency expires June 25, 2028. If the terms and conditions of the contract are not met by the Organization, the \$1.5 million grant must be repaid to the FHLB of San Francisco.

The Organization entered into a contract on May 21, 2013 with Federal Home Loan Bank of Topeka for a \$400,000 subsidy to rehabilitate property purchased to house homeless men under the Affordable Housing Program (“AHP”). The property must remain occupied for fifteen years from the date of completion of the project (March 26, 2015) and be affordable for households with incomes at or below the levels committed to be served in the AHP application. The contingency expires March 26, 2030. If the terms and conditions of the contract are not met by the Organization the \$400,000 subsidy must be repaid to the FHLB of Topeka.

As the Organization has been continuously providing shelter for the homeless since 1961 it is unlikely the Organization will not meet the above contracts’ terms and conditions.

Note H – Risks and Uncertainties

The Organization is subject to threatened litigation in the normal course of operations. All liability incidents involving the Organization are handled by their insurance carrier. There are no pending or threatened lawsuits.

Note I – Subsequent Events

Management has evaluated subsequent events through July 22, 2026 which represents the date the financial statements are issued.

There are no items which required adjustment in the accompanying financial statements as of December 31, 2025.