

NASHVILLE RESCUE MISSION AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended September 30, 2024 and 2023

And Report of Independent Auditor

NASHVILLE RESCUE MISSION AND AFFILIATES
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Report of Independent Auditor

To the Board of Directors
Nashville Rescue Mission and Affiliates
Nashville, Tennessee

Opinion

We have audited the accompanying consolidated financial statements of Nashville Rescue Mission (a non-profit organization) and Affiliates, which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and 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 Nashville Rescue Mission and Affiliates as of September 30, 2024 and 2023, and the changes in their net assets and their 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 Nashville Rescue Mission and Affiliates 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 the 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 Nashville Rescue Mission and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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 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 Nashville Rescue Mission and Affiliates' 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 Nashville Rescue Mission and Affiliates' 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 audits, significant audit findings, and certain internal control related matters that we identified during the audit.

Cherry Bekaert LLP

Nashville, Tennessee
January 22, 2025

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,702,364	\$ 7,386,888
Restricted cash (Note 9)	181,423	190,266
Prepaid expenses	718,832	816,444
Pledges receivable, net, current	1,035,115	1,576,924
Other assets	<u>40,382</u>	<u>47,440</u>
Total Current Assets	8,678,116	10,017,962
Pledges receivable, net, noncurrent	4,808,259	1,494,835
New market tax credit note receivable (Note 9)	8,540,000	8,540,000
Beneficial interest in trusts	562,731	491,384
Land, buildings, and equipment, net	<u>29,836,871</u>	<u>29,011,900</u>
Total Assets	<u><u>\$ 52,425,977</u></u>	<u><u>\$ 49,556,081</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 273,839	\$ 1,458,867
Accrued expenses	238,382	1,328,358
Unearned revenue	<u>9,351</u>	<u>45,000</u>
Total Current Liabilities	521,572	2,832,225
New market tax credit debt, net (Note 9)	<u>10,776,571</u>	<u>10,693,792</u>
Total Liabilities	<u>11,298,143</u>	<u>13,526,017</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	3,516,248	2,010,790
Board designated (Note 1)	3,531,000	3,554,419
Net investment in land, buildings, and equipment	<u>27,600,300</u>	<u>26,858,108</u>
Total Net Assets Without Donor Restrictions	34,647,548	32,423,317
With Donor Restrictions	<u>6,480,286</u>	<u>3,606,747</u>
Total Net Assets	<u>41,127,834</u>	<u>36,030,064</u>
Total Liabilities and Net Assets	<u><u>\$ 52,425,977</u></u>	<u><u>\$ 49,556,081</u></u>

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

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support:			
Contributions	\$ 12,561,840	\$ 6,596,748	\$ 19,158,588
Gifts-in-kind	3,986,900	-	3,986,900
Bequests	413,730	-	413,730
Net assets released from restrictions	3,794,556	(3,794,556)	-
Total Public Support	<u>20,757,026</u>	<u>2,802,192</u>	<u>23,559,218</u>
Revenue:			
Other revenue	590,702	-	590,702
Change in value of beneficial interest in trusts	-	71,347	71,347
Total Revenue	<u>590,702</u>	<u>71,347</u>	<u>662,049</u>
Total Public Support and Revenue	<u>21,347,728</u>	<u>2,873,539</u>	<u>24,221,267</u>
Expenses:			
Program Services:			
Food, clothing, and other distributions	4,058,602	-	4,058,602
Guest services	6,460,344	-	6,460,344
Recovery services	3,888,492	-	3,888,492
Public awareness	289,369	-	289,369
Total Program Services	<u>14,696,807</u>	<u>-</u>	<u>14,696,807</u>
Supporting Services:			
Management and general	1,319,421	-	1,319,421
Fundraising	3,107,269	-	3,107,269
Total Supporting Services	<u>4,426,690</u>	<u>-</u>	<u>4,426,690</u>
Total Expenses	<u>19,123,497</u>	<u>-</u>	<u>19,123,497</u>
Change in net assets	2,224,231	2,873,539	5,097,770
Net assets, beginning of year	32,423,317	3,606,747	36,030,064
Net assets, end of year	<u>\$ 34,647,548</u>	<u>\$ 6,480,286</u>	<u>\$ 41,127,834</u>

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

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support:			
Contributions	\$ 12,375,174	\$ 790,511	\$ 13,165,685
Gifts-in-kind	3,872,640	-	3,872,640
Bequests	884,166	-	884,166
Net assets released from restrictions	4,076,693	(4,076,693)	-
Total Public Support	<u>21,208,673</u>	<u>(3,286,182)</u>	<u>17,922,491</u>
Revenue:			
Other revenue	326,289	-	326,289
Change in value of beneficial interest in trusts	-	(74,594)	(74,594)
Total Revenue	<u>326,289</u>	<u>(74,594)</u>	<u>251,695</u>
Total Public Support and Revenue	<u>21,534,962</u>	<u>(3,360,776)</u>	<u>18,174,186</u>
Expenses:			
Program Services:			
Food, clothing, and other distributions	3,881,202	-	3,881,202
Guest services	5,644,638	-	5,644,638
Recovery services	3,502,753	-	3,502,753
Public awareness	319,513	-	319,513
Total Program Services	<u>13,348,106</u>	<u>-</u>	<u>13,348,106</u>
Supporting Services:			
Management and general	1,293,349	-	1,293,349
Fundraising	3,206,860	-	3,206,860
Total Supporting Services	<u>4,500,209</u>	<u>-</u>	<u>4,500,209</u>
Total Expenses	<u>17,848,315</u>	<u>-</u>	<u>17,848,315</u>
Change in net assets	3,686,647	(3,360,776)	325,871
Net assets, beginning of year	28,736,670	6,967,523	35,704,193
Net assets, end of year	<u>\$ 32,423,317</u>	<u>\$ 3,606,747</u>	<u>\$ 36,030,064</u>

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

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2024

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Food, Clothing, and Other Distributions	Guest Services	Recovery Services	Public Awareness		Management and General	Fundraising		
Salaries and wages	\$ -	\$ 2,930,897	\$ 2,157,186	\$ -	\$ 5,088,083	\$ 766,497	\$ 613,820	\$ 1,380,317	\$ 6,468,400
Gifts-in-kind	3,939,998	-	-	-	3,939,998	-	-	-	3,939,998
Contract services - donor appeals	-	-	-	-	-	-	1,220,192	1,220,192	1,220,192
Professional fees	-	936,449	19,374	-	955,823	127,750	31,521	159,271	1,115,094
Other employee benefits	-	441,235	297,705	-	738,940	69,609	89,535	159,144	898,084
Publicity	-	-	-	289,369	289,369	-	430,645	430,645	720,014
Utilities	-	307,790	254,266	-	562,056	30,841	27,721	58,562	620,618
Printing and postage	-	-	-	-	-	1,037	443,426	444,463	444,463
Payroll taxes	-	240,482	180,598	-	421,080	(16,589)	61,865	45,276	466,356
Repairs and maintenance	-	251,923	98,808	-	350,731	11,658	8,005	19,663	370,394
Supplies	-	170,003	103,422	-	273,425	20,456	7,566	28,022	301,447
Retirement benefits	-	79,476	65,177	-	144,653	54,430	17,854	72,284	216,937
Insurance	-	147,603	113,393	-	260,996	18,212	13,560	31,772	292,768
Dues and subscriptions	-	48,353	27,662	-	76,015	45,681	82,524	128,205	204,220
Miscellaneous	-	24,232	23,610	-	47,842	131,873	4,218	136,091	183,933
Travel and transportation	-	63,412	23,503	-	86,915	4,682	3,532	8,214	95,129
Food purchases	118,604	-	-	-	118,604	-	-	-	118,604
Interest	-	199,238	4,072	-	203,310	-	-	-	203,310
Benevolence	-	3,532	11,121	-	14,653	2,000	-	2,000	16,653
	4,058,602	5,844,625	3,379,897	289,369	13,572,493	1,268,137	3,055,984	4,324,121	17,896,614
Depreciation	-	615,719	508,595	-	1,124,314	51,284	51,285	102,569	1,226,883
Total Expenses	<u>\$ 4,058,602</u>	<u>\$ 6,460,344</u>	<u>\$ 3,888,492</u>	<u>\$ 289,369</u>	<u>\$ 14,696,807</u>	<u>\$ 1,319,421</u>	<u>\$ 3,107,269</u>	<u>\$ 4,426,690</u>	<u>\$ 19,123,497</u>

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

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2023

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Food, Clothing, and Other Distributions	Guest Services	Recovery Services	Public Awareness		Management and General	Fundraising		
Salaries and wages	\$ -	\$ 2,893,119	\$ 2,140,924	\$ -	\$ 5,034,043	\$ 682,286	\$ 678,284	\$ 1,360,570	\$ 6,394,613
Gifts-in-kind	3,792,146	-	-	-	3,792,146	-	-	-	3,792,146
Contract services - donor appeals	-	-	-	-	-	-	1,376,361	1,376,361	1,376,361
Professional fees	-	817,110	-	-	817,110	117,419	15,327	132,746	949,856
Other employee benefits	-	381,216	303,759	-	684,975	83,246	108,525	191,771	876,746
Publicity	-	-	-	319,513	319,513	-	308,030	308,030	627,543
Utilities	-	276,024	227,838	-	503,862	27,933	24,145	52,078	555,940
Printing and postage	-	202	-	-	202	18,819	482,035	500,854	501,056
Payroll taxes	-	213,350	154,692	-	368,042	49,928	49,520	99,448	467,490
Repairs and maintenance	-	217,788	83,965	-	301,753	9,634	6,352	15,986	317,739
Supplies	-	147,649	116,717	-	264,366	35,663	9,223	44,886	309,252
Retirement benefits	-	91,006	72,659	-	163,665	68,491	21,574	90,065	253,730
Insurance	-	113,615	86,255	-	199,870	14,968	10,136	25,104	224,974
Dues and subscriptions	-	49,932	27,620	-	77,552	39,236	91,631	130,867	208,419
Miscellaneous	-	7,595	17,020	-	24,615	114,501	1,589	116,090	140,705
Travel and transportation	-	66,002	29,389	-	95,391	7,802	1,052	8,854	104,245
Food purchases	89,056	-	-	-	89,056	395	145	540	89,596
Interest	-	88,513	4,071	-	92,584	-	-	-	92,584
Benevolence	-	6,213	10,438	-	16,651	98	-	98	16,749
	3,881,202	5,369,334	3,275,347	319,513	12,845,396	1,270,419	3,183,929	4,454,348	17,299,744
Depreciation	-	275,304	227,406	-	502,710	22,930	22,931	45,861	548,571
Total Expenses	\$ 3,881,202	\$ 5,644,638	\$ 3,502,753	\$ 319,513	\$ 13,348,106	\$ 1,293,349	\$ 3,206,860	\$ 4,500,209	\$ 17,848,315

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

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 5,097,770	\$ 325,871
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	1,226,883	548,571
Amortization of debt issuance costs	82,779	34,491
Bad debt expense	75,116	(42,349)
Change in value of beneficial interest in trust	(71,347)	74,594
Contributions restricted for long-term purposes	(6,523,546)	(777,133)
Change in operating assets and liabilities:		
Prepaid expenses	97,612	65,208
Other assets	7,058	35
Accounts payable	(1,185,028)	12,526
Accrued expenses	(1,089,976)	717,008
Unearned revenue	(35,649)	(10,000)
Net cash flows from operating activities	<u>(2,318,328)</u>	<u>948,822</u>
Cash flows from investing activities:		
Issuance of note receivable	-	(8,540,000)
Purchases of land, buildings, and equipment	<u>(2,051,854)</u>	<u>(13,727,866)</u>
Net cash flows from investing activities	<u>(2,051,854)</u>	<u>(22,267,866)</u>
Cash flows from financing activities:		
Proceeds from issuance of new market tax credit note payable	-	11,238,750
Cash paid for debt issuance costs	-	(579,449)
Proceeds from contributions restricted for long-term purposes	<u>3,676,815</u>	<u>2,526,453</u>
Net cash flows from financing activities	<u>3,676,815</u>	<u>13,185,754</u>
Net change in cash and cash equivalents	(693,367)	(8,133,290)
Cash and cash equivalents, beginning of year	<u>7,577,154</u>	<u>15,710,444</u>
Cash and cash equivalents, end of year	<u>\$ 6,883,787</u>	<u>\$ 7,577,154</u>
Cash and cash equivalents consist of the following:		
Cash and cash equivalents	\$ 6,702,364	\$ 7,386,888
Cash restricted for new market tax debt payments	<u>181,423</u>	<u>190,266</u>
	<u>\$ 6,883,787</u>	<u>\$ 7,577,154</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 112,388</u>	<u>\$ 49,950</u>

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

NASHVILLE RESCUE MISSION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 1—Nature of operations and summary of significant accounting policies

Nashville Rescue Mission was incorporated March 16, 1954, in accordance with the laws of the state of Tennessee as a non-profit corporation. Nashville Rescue Mission's purpose is to serve the hurting of Middle Tennessee by offering food, clothing, and shelter to the homeless and recovery programs to those enslaved in life-degrading problems. Nashville Rescue Mission's goal is to help people know the saving grace of Jesus, gain wisdom for living, find fulfillment in life, and become a positive part of their community.

Effective October 1, 2011, Nashville Rescue Mission revised its organizational structure whereby NRM Holdings, Inc. ("Holdings"), established in August 2010, became the sole owner of Nashville Rescue Mission and a newly formed "series" limited liability company, NRM Properties, LLC ("NRM Properties"). Each parcel of land owned by Nashville Rescue Mission was transferred to a separate series within NRM Properties. All furniture, equipment, and other personal property owned by Nashville Rescue Mission, with the exception of automobiles and other motor vehicles, was conveyed to a separate series of NRM Properties. Nashville Rescue Mission entered into leases of the real and personal property owned by NRM Properties for the purpose of using said property for the conduct of the business and ministry of Nashville Rescue Mission. Nashville Rescue Mission remains the principal operating entity for conducting the day-to-day business affairs and ministry of Nashville Rescue Mission and Holdings. Board designated funds of Nashville Rescue Mission, including the working capital reserve and capital asset reserve, were transferred to Holdings and were held and maintained by Holdings under the same conditions and restrictions as currently exist with respect to Nashville Rescue Mission.

Effective January 1, 2012, the principal operating entity was reorganized from a non-profit corporation (since 1954) to a non-profit limited liability company and its name was changed to Nashville Rescue Mission Ministries, LLC. In addition, the name of Holdings was changed to Nashville Rescue Mission effective January 1, 2012.

Nashville Rescue Mission established NRM Support Corporation on February 8, 2023 solely to support the charitable purposes, mission, goals, and activities of Nashville Rescue Mission, its sole member. As such, NRM Support Corporation activities include constructing Nashville Rescue Mission's new women's emergency shelter and servicing certain notes payable for the benefit of Nashville Rescue Mission (see Note 9).

Principles of Consolidation – The consolidated financial statements include the accounts of Nashville Rescue Mission, Nashville Rescue Mission Ministries, LLC, NRM Properties, LLC, and NRM Support Corporation (collectively, the "Mission"). All significant inter-entity transactions and balances have been eliminated in consolidation.

Basis of Presentation – The Mission presents its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and public support, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. In addition, the Mission is required to present a consolidated statements of cash flows. Net assets of the Mission are presented as follows:

Net Assets Without Donor Restrictions –

Undesignated – Net assets that are not subject to donor-imposed stipulations or designated by the Mission's board.

Board Designated – Net assets designated by the Mission's board for particular purposes, presently designated by the board for future working capital and capital asset reserves totaling \$2,576,000 and \$955,000 at September 30, 2024, respectively, and for future working capital reserves totaling \$3,554,419 at September 30, 2023.

Net Investment in Land, Buildings, and Equipment – Resources invested in land, buildings, and equipment designated by the Mission's board for particular purposes.

NASHVILLE RESCUE MISSION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 1—Nature of operations and summary of significant accounting policies (continued)

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Mission or by the passage of time. Donor restricted contributions received and released in the same year are presented as net assets without donor restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions represent amounts available for specified projects. Net assets required to be held in perpetuity represent restricted gifts held in investment accounts. Generally, donors of these assets may permit the Mission to use all or part of the income earned for general or specific purposes.

Cash and Cash Equivalents – Cash and cash equivalents include all highly liquid investments, such as money market funds, treasury bills, and other investments, which have a maturity of three months or less at the time of purchase.

Restricted Cash – NRM Support Corporation is required to maintain segregated loan reserve funds which had balances totaling \$181,423 and \$190,266 at September 30, 2024 and 2023, respectively (see Note 9).

Pledges Receivables -- Unconditional pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Pledges receivable are written off when deemed uncollectable. At September 30, 2024 and 2023, the allowance was \$113,476 and \$38,360, respectively.

Land, Buildings, and Equipment – Land, buildings, and equipment is recorded at cost. Expenditures for ordinary maintenance and repairs are charged to operations. Renewals and betterments that materially extend the life of the asset are capitalized. Depreciation is provided in amounts necessary to allocate the cost of the various classes of assets over their estimated useful lives using the straight-line method. Estimated useful lives of all major classes of assets are as follows:

Buildings and improvements	20 – 40 years
Automobiles and trucks	5 – 7 years
Furniture, fixtures, and equipment	3 – 10 years

Beneficial Interest in Trusts – Donors have established and funded trusts naming outside fiscal agents to invest and manage the trust assets in perpetuity. The Mission, each year, will receive a pro rata share of income from the trust assets in perpetuity.

Public Support – The Mission receives public support in the form of cash contributions, unconditional promises to give, bequests, noncash gifts of securities, real estate, gifts-in-kind, and donated services. The Mission generally recognizes public support in the year received at fair value, with gifts-in-kind determined as follows:

Gifts-in-Kind – Primarily includes donated food, clothing, and other assets. For the year ended September 30, 2024, the value of donated food and clothing is recognized as public support with a corresponding expense for program services when consumed at an estimated fair value of \$2.85 per meal served and \$4.20 per article of clothing provided. Excess clothing distributed to other non-profit agencies is valued at \$4.44 per pound. Management believes these estimated values for donated food and clothing are conservative based on cost and value studies performed from comparable organizations. Other assets donated are recorded at estimated fair value on the date received.

NASHVILLE RESCUE MISSION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 1—Nature of operations and summary of significant accounting policies (continued)

Donated Services – Generally not recognized unless the services:

- Create or enhance a non-financial asset (such as a building), or
- Are specialized skills provided by entities or persons possessing those skills (such as physicians or accountants) and would be purchased if they were not donated.

Contributions - Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Income Taxes – The Mission (including, for tax purposes, Affiliates) is a non-profit corporation that has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income taxes is included in the accompanying consolidated financial statements.

The Mission follows the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification guidance which clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Mission has no tax penalties or interest reported in the accompanying consolidated financial statements. The Mission had no uncertain tax positions at September 30, 2024 or 2023.

Functional Allocation of Expenses – The costs of providing program services and supporting services have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Expenses that relate to more than one function are allocated among applicable functions on the basis of objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. Expenses that have been allocated based on time and effort consist primarily of salaries and related expenses, depreciation and amortization.

The following program and supporting services are included in the accompanying consolidated financial statements:

Program Services

Food, Clothing, and Other Distributions – Represents in-kind donations and purchases of food and clothing utilized in programs as well as excess amounts distributed to other non-profit agencies.

Guest Services –

- *Men’s Emergency Shelter* – Providing shelter and spiritual counseling to homeless men.
- *Women’s Emergency Shelter* – Providing shelter and spiritual counseling to homeless women and their children.
- *Travelers Aid* – Providing travel assistance to needy individuals.

NASHVILLE RESCUE MISSION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 1—Nature of operations and summary of significant accounting policies (continued)

Recovery Services –

- *Men's Recovery Program* – Providing a life recovery program for men affected by addictions and life defeating problems including: Bible classes, counseling, educational classes, and employment preparation to men who seek a way out of destructive lifestyles.
- *Education* – Providing educational opportunities including: graduate equivalency diploma, vocational skills, reading, writing, and other classes.
- *Women's Recovery Program* – Providing a life recovery program for women affected by addictions and life defeating problems including: Bible classes, counseling, educational classes, and employment preparation to women who seek a way out of destructive lifestyles.
- *Transitional Housing for Men and Women* – Providing transitional housing (single resident occupancy) to graduates of the life recovery program who have demonstrated a commitment to building new lives for themselves. Housing is for a limited period while transitioning from reliance on the Mission's life recovery programs to securing independent housing arrangements. As of September 30, 2024, the Transitional Housing for men is located at 639 Lafayette Street and the housing for women is located at 1716 Rosa Parks Boulevard.

Public Awareness – Providing information to the public regarding needs of the community and the Mission's program services.

Supporting Services

Management and General – Includes costs related to the overall direction of the Mission. These expenses are not identifiable with a particular program or with fundraising but are indispensable to the conduct of those activities and are essential to the Mission. Specific activities include organization oversight, business management, human resource function, finance and accounting services, training and coordinating volunteers, property and technology oversight, and other administrative duties.

Fundraising – Includes costs of activities directed toward grant writing, donor tracking, public relations, and fundraising. Other activities include the cost of solicitations as well as the creation and distribution of fundraising materials.

Use of Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates used by management in preparing these consolidated financial statements primarily relate to those assumed in establishing the value of noncurrent pledges receivable, gifts-in-kind, donated services, depreciation and the allocation of functional expenses. Accordingly, actual results could differ from those estimates.

Reclassifications – Certain reclassifications have been made to 2023 balances to conform with 2024 presentation.

Subsequent Events – The Mission evaluated subsequent events through January 22, 2025, when these consolidated financial statements were available to be issued.

NASHVILLE RESCUE MISSION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 1—Nature of operations and summary of significant accounting policies (continued)

Adoption of New Accounting Pronouncement – In June 2016, FASB issued Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments-Credit Losses (Topic 326)* and subsequently related amendments (ASU 2019-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, and ASU 2022-02). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. The Mission adopted these ASUs effective October 1, 2023. Adoption of the new standard did not impact the Mission’s consolidated financial statements.

Note 2—Liquidity and availability of resources

The Mission regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Mission considers all expenditures related to its ongoing activities of providing to the hurting of Middle Tennessee by offering food, clothing, and shelter to the homeless and recovery programs to those enslaved in life-degrading problems, as well as the conduct of services undertaken to support those activities to be general expenditures. As a part of the Mission’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following at September 30:

	<u>2024</u>	<u>2023</u>
Financial assets available for general expenditures at year-end:		
Cash and cash equivalents	\$ 6,702,364	\$ 7,386,888
Total financial assets	<u>6,702,364</u>	<u>7,386,888</u>
Less amounts not available to be used for general expenditures within one year:		
Board designated	3,531,000	3,554,419
Purpose restrictions	<u>74,181</u>	<u>43,604</u>
Financial assets not available to be used within one year	<u>3,605,181</u>	<u>3,598,023</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,097,183</u>	<u>\$ 3,788,865</u>

NASHVILLE RESCUE MISSION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 3—Concentrations

The Mission maintains its cash in bank accounts that at times may exceed federally insured limits. The Mission has not experienced any losses in such accounts. Deposits are insured by the Federal Deposit Insurance Corporation up to statutory limits. Management believes the Mission is not exposed to any significant credit risk regarding cash balances.

As of September 30, 2024, and 2023, approximately 89% and 39%, respectively, of pledges receivable were received from two donors and one donor, respectively. For the year ended September 30, 2024, approximately 34% of contribution revenue was received from one donor.

Note 4—Fair value measurements

The Mission has established a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include: 1) quoted prices for similar assets or liabilities in active markets, 2) quoted prices for identical or similar assets or liabilities in inactive markets, 3) inputs other than quoted prices that are observable for the asset or liability, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. 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.

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in methodologies used at September 30, 2024 and 2023.

The following is a description of the valuation methodology used for asset measurements at fair value at September 30, 2024 and 2023:

Beneficial Interest in Trusts – Valued using information obtained from third party sources, including financial statements and other information from detailed listings of holdings from the trusts. These valuations are typically performed annually, based on the fair value of the amounts the Mission expects to receive under the term of the trusts.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Mission's management 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 different fair value measurements at the reporting date.

NASHVILLE RESCUE MISSION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 4—Fair value measurements (continued)

The following table sets forth the Mission’s major categories of assets and liabilities measured at fair value on a recurring basis, by level within the fair value hierarchy, as of September 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trusts	\$ -	\$ -	\$ 562,731	\$ 562,731

The following table sets forth the Mission’s major categories of assets and liabilities measured at fair value on a recurring basis, by level within the fair value hierarchy, as of September 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trusts	\$ -	\$ -	\$ 491,384	\$ 491,384

A summary of changes in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) follows at September 30:

	<u>2024</u>	<u>2023</u>
Beneficial interest in trusts at beginning of year	\$ 491,384	\$ 565,978
Change in value of beneficial interest in trusts	71,347	(74,594)
Beneficial interest in trusts at end of year	<u>\$ 562,731</u>	<u>\$ 491,384</u>

Note 5—Land, buildings, and equipment

Land, buildings, and equipment consist of the following at September 30:

	<u>2024</u>	<u>2023</u>
Land and improvements	\$ 6,260,645	\$ 2,338,302
Buildings and improvements	26,082,700	9,162,265
Furniture, fixtures, and equipment	5,854,639	3,437,738
Automobiles and trucks	246,936	246,936
Construction in progress	-	21,234,587
	38,444,920	36,419,828
Less accumulated depreciation	<u>(8,608,049)</u>	<u>(7,407,928)</u>
	<u>\$ 29,836,871</u>	<u>\$ 29,011,900</u>

Construction in progress consisted primarily of costs for construction of the Mission’s new women’s facility. This facility was placed in service during the year ended September 30, 2024.

NASHVILLE RESCUE MISSION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 6—Beneficial interest in trusts

A donor has established a trust held by a third party naming the Mission as one of the beneficiaries to a perpetual trust. Under terms of the split-interest agreement, the Mission is to receive 10% of investment return annually. The asset is approximately \$132,000 and is considered to have a perpetual restriction. This valuation is based on 10% of the fair value of the trust, which currently approximates the fair value of amounts to be received under the trust. The Mission received annual income from such trust of \$-0- for each of the years ended September 30, 2024 and 2023.

A donor has established a trust held by a third party naming the Mission as one of the beneficiaries to a perpetual trust. Under terms of the split-interest agreement, the Mission is to receive 25% of the net income annually until the demise of the lead beneficiary, at which time, the Mission is to receive 50% of the net income. The asset is approximately \$431,000 and is considered to have a perpetual restriction and the distributions from the trust are not restricted by the donor. This valuation is based on 25% of the fair value of the trust, which currently approximates the fair value of amounts to be received under the trust. The Mission received annual income from such trust of approximately \$28,000 and \$20,000 for the years ended September 30, 2024 and 2023, respectively. Such amounts are included in contributions without donor restrictions in the accompanying consolidated statements of activities.

As discussed in Note 4, beneficial interest in trusts is considered to be Level 3 investments.

Note 7—Pledges receivable

Pledges receivable consist of the following at September 30:

	<u>2024</u>	<u>2023</u>
Capital campaign contributions	\$ 4,997,359	\$ 3,114,638
Other pledges	1,000,000	-
Less discount to net present value (0.25% at September 30, 2024 and 2023)	(40,509)	(4,519)
Less allowance for uncollectible pledges	<u>(113,476)</u>	<u>(38,360)</u>
Pledges receivable	<u>\$ 5,843,374</u>	<u>\$ 3,071,759</u>
Receivable in less than one year	<u>\$ 1,035,115</u>	<u>\$ 1,576,924</u>
Receivable in one to five years	<u>\$ 4,808,259</u>	<u>\$ 1,494,835</u>

Near the end of fiscal year 2020, the Mission began a capital campaign, with a goal to raise \$20 million for its new women's facility. As of September 30, 2024, the capital campaign had ended and amounts received to date in cash and in pledges approximated \$22.1 million.

Note 8—Line of credit

During the year ended September 30, 2022, the Mission entered into a line of credit agreement with a bank. The line of credit had a borrowing capacity of \$16,500,000 and bears interest at the one-month Bloomberg Short-Term Bank Yield Index, plus 1.00%. The line of credit was secured by commitments and pledges raised and actually received by the Mission in connection with the capital campaign for the Women's Campus project. The line of credit had a maturity date of August 8, 2024. At September 30, 2023, no borrowings were outstanding under the line of credit agreement and the line of credit was closed in April 2024.

NASHVILLE RESCUE MISSION AND AFFILIATES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 9—New market tax credit agreement

During April 2023, the Mission entered into a new markets tax credit (“NMTC”) agreement to assist with the construction of the new women’s emergency shelter. The Mission will realize a projected benefit in positive cash flow from federal incentives totaling approximately \$1,900,000 (unaudited) for the NMTC financing transaction. All loans originated in the NMTC financing transactions are secured by substantially all assets and revenues of the Mission whether owned as of the date of the agreement or thereafter.

During April 2023, the Mission entered into two debt agreements totaling \$9,238,750 from Pathway Lending CDE 6, LLC (a community development financial institution). The notes require quarterly interest only payments at 1% per annum until April 30, 2030. Thereafter, quarterly principal and interest payments totaling approximately \$97,718 are due until maturity at December 31, 2057. Additionally, the Mission entered into two debt agreements totaling \$2,000,000 from PNC CDE 154, LLC (a community development institution). The notes require interest only payments at 1% per annum until April 30, 2030. Thereafter, quarterly principal and interest payments totaling approximately \$21,154 are due until maturity in December 31, 2057. Financing fees deferred related to the notes totaled \$579,449, with \$82,779 and \$34,491 amortized during the years ended September 30, 2024 and 2023, respectively, and \$117,270 and \$34,491 of accumulated amortization at September 30, 2024 and 2023, respectively. The notes contain certain financial covenants which require management’s representations that the loans will qualify as a qualified low-income community investment based on the ongoing activities of the Mission and its continuing mission.

Furthermore, the Mission provided a loan of \$8,540,000 to NRM Investment Fund, LLC. The loan is evidenced by a promissory note receivable from NRM Investment Fund, LLC, accruing interest at 1.314% per annum, and requiring quarterly payments of interest only through April 30, 2030 at which point the loan will amortize on a straight-line basis through maturity in December 2054.

As part of this transaction, the Mission is required to maintain three segregated loan reserve funds. The first reserve fund is used for payment of audit and tax expense reimbursement and administrative fees in compliance with loan agreement payable to Pathway Lending CDE 6, LLC. The initial deposit was \$190,250 and will cover annual payments totaling approximately \$3,000 per year for the audit and tax expense reimbursement payable on December 5 each year through 2030. For any year in which NRM Investment Fund, LLC requests audited financial statements, the amount of the reimbursement shall be increased to \$8,000. The initial deposit will also cover Pathway Lending administrative fees in the amount of \$23,750 per year payable on December 5 through 2030. The second reserve fund was used for payment of a portion of the interest expense payable to Pathway Lending CDE 6, LLC and PNC CDE 154, LLC. The initial deposit was \$112,388 and covered quarterly payments of \$28,096 for the interest expense. The total amount of restricted cash as of September 30, 2024 and 2023 totaled \$181,423 and \$190,266, respectively.

In April 2030, the bank that owns the unaffiliated investment structure may put its interest in the investments structure to NRM Support Corporation, LLC for a put price of \$1,000. If the bank does not exercise its put right, NRM Support Corporation, LLC may call the bank’s interest in the investment structure for a call price equal to the fair value of the investment. Exercise of the put or the call will provide NRM Support Corporation with ownership of the investment structure.

NASHVILLE RESCUE MISSION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 10—Net assets with donor restrictions

Certain contributions were restricted by donors for use in conjunction with specified projects or future periods as follows for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Beneficial interest in trust with perpetual restrictions	\$ 562,731	\$ 491,384
Support for Women’s Campus projects	22,317	-
Freight elevator upgrade, metal detector, tilt skillet	12,750	12,750
Special projects	36,655	-
Miscellaneous supplies	2,459	30,854
Pledges receivable (primarily for Women's Campus)	<u>5,843,374</u>	<u>3,071,759</u>
Total net assets with donor restrictions	<u>\$ 6,480,286</u>	<u>\$ 3,606,747</u>

Net assets that were released from restriction upon satisfaction of donor-specified expenditure or time restrictions are summarized as follows for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Women's Campus projects purchases	\$ 1,659,017	\$ 3,954,668
Miscellaneous supplies	31,694	7,025
Naming rights	2,000,000	-
Special projects	3,845	-
Pledges receivable	<u>100,000</u>	<u>115,000</u>
Total net assets released from restrictions	<u>\$ 3,794,556</u>	<u>\$ 4,076,693</u>

Note 11—Bequests

Similar to many non-profit organizations, the Mission receives support from bequests. As indicated in Note 1, contributions (including bequests) are recognized as public support when received or when the contributor makes an unconditional promise to give a determinable amount. As a result, the amount of support from bequests may vary significantly between years. Bequests recognized as public support on the consolidated statement of activities for the years ended September 30, 2024 and 2023 totaled \$413,730 and \$884,166, respectively.

The Mission’s policy is to utilize amounts received from bequests for repayment of debt, capital additions, endowments, and other long-range planning purposes. Support from bequests is not intended to be utilized for day-to-day operations.

NASHVILLE RESCUE MISSION AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

Note 12—Gifts-in-kind and donated services

As described in Note 1, the Mission receives various noncash gifts, primarily food and clothing, and recognizes them as public support as the gifts are utilized. Generally, these gifts-in-kind have no donor restrictions and are utilized in the same year they are received. Gifts-in-kind received, distributed, and capitalized as fixed assets included in the consolidated financial statements are summarized as follows for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Gifts-in-kind received	<u>\$ 3,986,900</u>	<u>\$ 3,872,640</u>
Gifts-in-kind distributed:		
Food	\$ 1,737,830	\$ 1,658,955
Clothing	2,122,479	2,027,456
Supplies	79,689	105,735
Total distributed	<u>\$ 3,939,998</u>	<u>\$ 3,792,146</u>
Gifts-in-kind pledged	<u>\$ 41,669</u>	<u>\$ 75,846</u>
Gifts-in-kind capitalized	<u>\$ 5,233</u>	<u>\$ 4,648</u>

A substantial number of non-professional volunteers have donated significant amounts of their time to the Mission's program services; however, the fair value of these services has not been reflected in the accompanying consolidated financial statements.

Note 13—Employee benefit plan

The Mission provides a retirement benefit (the "Retirement Plan") to its eligible employees. Effective April 2014, the Mission provides a base contribution of 3% of gross salary to every employee's retirement account. In addition, the Mission matches 50% of participating employee contributions on the first 6% of an employee's contributions. All eligible employees who elect to participate make contributions to the Retirement Plan through payroll deductions. The Mission recognized expense of \$216,937 and \$253,730 during the years ended September 30, 2024 and 2023, respectively, for base and matching contributions to the Retirement Plan.

Note 14—Supplemental cash flow information

The Mission recognized certain non-cash transactions as follows for the year ended September 30:

	<u>2024</u>	<u>2023</u>
Gifts-in-kind:		
Received	<u>\$ 3,986,900</u>	<u>\$ 3,872,640</u>
Distributed	<u>\$ 3,939,998</u>	<u>\$ 3,792,146</u>
Capitalized	<u>\$ 5,233</u>	<u>\$ 4,648</u>
Pledged	<u>\$ 41,669</u>	<u>\$ 75,846</u>

SUPPLEMENTARY INFORMATION

Report of Independent Auditor on Supplementary Information

To the Board of Directors
Nashville Rescue Mission and Affiliates
Nashville, Tennessee

We have audited the consolidated financial statements of Nashville Rescue Mission and Affiliates (the “Mission”) as of and for the years ended September 30, 2024 and 2023, and our report thereon dated January 22, 2025, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated schedules of total expenses by department for the years ended September 30, 2024 and 2023 and consolidating statements of financial position and activities as of and for the years ended September 30, 2024 and 2023 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Cherry Bekaert LLP

Nashville, Tennessee
January 22, 2025

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATED SCHEDULES OF TOTAL EXPENSES BY DEPARTMENT

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Program Services:			
Food, clothing, and other distributions	\$ 4,058,602	\$ 3,881,202	\$ 177,400
Guest Services:			
Men's Emergency Shelter	3,886,495	3,518,918	367,577
Women's Emergency Shelter	2,573,849	2,125,720	448,129
Total Guest Services	<u>6,460,344</u>	<u>5,644,638</u>	<u>815,706</u>
Recovery Services:			
Men's Recovery Program and Education	2,431,862	2,208,213	223,649
Women's Recovery Program and Education	1,456,630	1,294,540	162,090
Total Recovery Services	<u>3,888,492</u>	<u>3,502,753</u>	<u>385,739</u>
Public awareness	289,369	319,513	(30,144)
Total Program Services	<u>14,696,807</u>	<u>13,348,106</u>	<u>1,348,701</u>
Supporting Services:			
Management and general	1,319,421	1,293,349	26,072
Fundraising	3,107,269	3,206,860	(99,591)
Total Supporting Services	<u>4,426,690</u>	<u>4,500,209</u>	<u>(73,519)</u>
Total Expenses	<u>\$ 19,123,497</u>	<u>\$ 17,848,315</u>	<u>\$ 1,275,182</u>

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2024

	Nashville Rescue Mission and Affiliates * (Excluding NRM Support Corporation)	NRM Support Corporation	Eliminations	Consolidated Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 6,702,364	\$ -	\$ -	\$ 6,702,364
Restricted cash (Note 9)	-	181,423	-	181,423
Prepaid expenses	718,832	-	-	718,832
Pledges receivable, net, current	1,035,115	-	-	1,035,115
Other assets	96,573	320,090	(376,281)	40,382
Total Current Assets	8,552,884	501,513	(376,281)	8,678,116
Pledges receivable, net, noncurrent	4,808,259	-	-	4,808,259
New market tax credit note receivable (Note 9)	8,540,000	-	-	8,540,000
Beneficial interest in trusts	562,731	-	-	562,731
Land, buildings, and equipment, net	8,272,785	21,564,086	-	29,836,871
Total Assets	\$ 30,736,659	\$ 22,065,599	\$ (376,281)	\$ 52,425,977
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 593,929	\$ 56,191	\$ (376,281)	\$ 273,839
Accrued expenses	238,382	-	-	238,382
Unearned revenue	9,351	-	-	9,351
Total Current Liabilities	841,662	56,191	(376,281)	521,572
New market tax credit debt, net (Note 9)	-	10,776,571	-	10,776,571
Total Liabilities	841,662	10,832,762	(376,281)	11,298,143
Net Assets:				
Without Donor Restrictions:				
Undesignated	11,610,926	(10,331,249)	-	1,279,677
Board designated (Note 1)	3,531,000	-	-	3,531,000
Net investment in land, buildings, and equipment	8,272,785	21,564,086	-	29,836,871
Total Net Assets Without Donor Restrictions	23,414,711	11,232,837	-	34,647,548
With Donor Restrictions	6,480,286	-	-	6,480,286
Total Net Assets	29,894,997	11,232,837	-	41,127,834
Total Liabilities and Net Assets	\$ 30,736,659	\$ 22,065,599	\$ (376,281)	\$ 52,425,977

* This includes Nashville Rescue Mission, Nashville Rescue Mission Ministries, LLC, and NRM Properties, LLC

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2023

	Nashville Rescue Mission and Affiliates * (Excluding NRM Support Corporation)	NRM Support Corporation	Eliminations	Consolidated Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 7,386,888	\$ -	\$ -	\$ 7,386,888
Restricted cash (Note 9)	-	190,266	-	190,266
Prepaid expenses	816,444	-	-	816,444
Pledges receivable, net, current	1,576,924	-	-	1,576,924
Other assets	47,440	-	-	47,440
Total Current Assets	<u>9,827,696</u>	<u>190,266</u>	<u>-</u>	<u>10,017,962</u>
Pledges receivable, net, noncurrent	1,494,835	-	-	1,494,835
New market tax credit note receivable (Note 9)	8,540,000	-	-	8,540,000
Beneficial interest in trusts	491,384	-	-	491,384
Land, buildings, and equipment, net	7,076,626	21,935,274	-	29,011,900
Total Assets	<u><u>\$ 27,430,541</u></u>	<u><u>\$ 22,125,540</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 49,556,081</u></u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 1,458,867	\$ -	\$ -	\$ 1,458,867
Accrued expenses	1,328,358	-	-	1,328,358
Unearned revenue	45,000	-	-	45,000
Total Current Liabilities	<u>2,832,225</u>	<u>-</u>	<u>-</u>	<u>2,832,225</u>
New market tax credit debt, net (Note 9)	-	10,693,792	-	10,693,792
Total Liabilities	<u>2,832,225</u>	<u>10,693,792</u>	<u>-</u>	<u>13,526,017</u>
Net Assets:				
Without Donor Restrictions:				
Undesignated	10,360,524	(10,503,526)	-	(143,002)
Board designated (Note 1)	3,554,419	-	-	3,554,419
Net investment in land, buildings, and equipment	7,076,626	21,935,274	-	29,011,900
Total Net Assets Without Donor Restrictions	<u>20,991,569</u>	<u>11,431,748</u>	<u>-</u>	<u>32,423,317</u>
With Donor Restrictions	3,606,747	-	-	3,606,747
Total Net Assets	<u>24,598,316</u>	<u>11,431,748</u>	<u>-</u>	<u>36,030,064</u>
Total Liabilities and Net Assets	<u><u>\$ 27,430,541</u></u>	<u><u>\$ 22,125,540</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 49,556,081</u></u>

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2024

	Nashville Rescue Mission and Affiliates (Excluding NRM Support Corporation)			NRM Support Corporation			Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Public Support:								
Contributions	\$ 12,561,840	\$ 6,596,748	\$ 19,158,588	\$ -	\$ -	\$ -	\$ -	\$ 19,158,588
Gifts-in-kind	3,986,900	-	3,986,900	-	-	-	-	3,986,900
Contributed land and real estate	-	-	-	161,136	-	161,136	(161,136)	-
Bequests	413,730	-	413,730	-	-	-	-	413,730
Net assets released from restrictions	3,794,556	(3,794,556)	-	-	-	-	-	-
Total Public Support	20,757,026	2,802,192	23,559,218	161,136	-	161,136	(161,136)	23,559,218
Revenue:								
Other revenue	590,694	-	590,694	387,309	-	387,309	(387,301)	590,702
Change in value of beneficial interest in trusts	-	71,347	71,347	-	-	-	-	71,347
Total Revenue	590,694	71,347	662,041	387,309	-	387,309	(387,301)	662,049
Total Public Support and Revenue	21,347,720	2,873,539	24,221,259	548,445	-	548,445	(548,437)	24,221,267
Expenses:								
Program Services:								
Food, clothing, and other distributions	4,058,602	-	4,058,602	-	-	-	-	4,058,602
Guest services	6,658,691	-	6,658,691	195,166	-	195,166	(393,513)	6,460,344
Recovery services	4,032,067	-	4,032,067	11,349	-	11,349	(154,924)	3,888,492
Public awareness	289,369	-	289,369	-	-	-	-	289,369
Total Program Services	15,038,729	-	15,038,729	206,515	-	206,515	(548,437)	14,696,807
Supporting Services:								
Management and general	778,580	-	778,580	540,841	-	540,841	-	1,319,421
Fundraising	3,107,269	-	3,107,269	-	-	-	-	3,107,269
Total Supporting Services	3,885,849	-	3,885,849	540,841	-	540,841	-	4,426,690
Total Expenses	18,924,578	-	18,924,578	747,356	-	747,356	(548,437)	19,123,497
Change in net assets	2,423,142	2,873,539	5,296,681	(198,911)	-	(198,911)	-	5,097,770
Net assets, beginning of year	20,991,569	3,606,747	24,598,316	11,431,748	-	11,431,748	-	36,030,064
Net assets, end of year	\$ 23,414,711	\$ 6,480,286	\$ 29,894,997	\$ 11,232,837	\$ -	\$ 11,232,837	\$ -	\$ 41,127,834

NASHVILLE RESCUE MISSION AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2023

	Nashville Rescue Mission and Affiliates (Excluding NRM Support Corporation)			NRM Support Corporation			Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Public Support:								
Contributions	\$ 12,375,174	\$ 790,511	\$ 13,165,685	\$ -	\$ -	\$ -	\$ -	\$ 13,165,685
Gifts-in-kind	3,872,640	-	3,872,640	-	-	-	-	3,872,640
Contributed land and real estate	-	-	-	11,516,141	-	11,516,141	(11,516,141)	-
Bequests	884,166	-	884,166	-	-	-	-	884,166
Net assets released from restrictions	4,076,693	(4,076,693)	-	-	-	-	-	-
Total Public Support	21,208,673	(3,286,182)	17,922,491	11,516,141	-	11,516,141	(11,516,141)	17,922,491
Revenue:								
Other revenue	326,241	-	326,241	48	-	48	-	326,289
Change in value of beneficial interest in trusts	-	(74,594)	(74,594)	-	-	-	-	(74,594)
Total Revenue	326,241	(74,594)	251,647	48	-	48	-	251,695
Total Public Support and Revenue	21,534,914	(3,360,776)	18,174,138	11,516,189	-	11,516,189	(11,516,141)	18,174,186
Expenses:								
Program Services:								
Food, clothing, and other distributions	3,881,202	-	3,881,202	-	-	-	-	3,881,202
Guest services	17,076,338	-	17,076,338	84,441	-	84,441	(11,516,141)	5,644,638
Recovery services	3,502,753	-	3,502,753	-	-	-	-	3,502,753
Public awareness	319,513	-	319,513	-	-	-	-	319,513
Total Program Services	24,779,806	-	24,779,806	84,441	-	84,441	(11,516,141)	13,348,106
Supporting Services:								
Management and general	1,293,349	-	1,293,349	-	-	-	-	1,293,349
Fundraising	3,206,860	-	3,206,860	-	-	-	-	3,206,860
Total Supporting Services	4,500,209	-	4,500,209	-	-	-	-	4,500,209
Total Expenses	29,280,015	-	29,280,015	84,441	-	84,441	(11,516,141)	17,848,315
Change in net assets	(7,745,101)	(3,360,776)	(11,105,877)	11,431,748	-	11,431,748	-	325,871
Net assets, beginning of year	28,736,670	6,967,523	35,704,193	-	-	-	-	35,704,193
Net assets, end of year	\$ 20,991,569	\$ 3,606,747	\$ 24,598,316	\$ 11,431,748	\$ -	\$ 11,431,748	\$ -	\$ 36,030,064