MISSION ROAD MINISTRIES
AND AFFILIATES

COMBINED FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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SUPPLEMENTARY INFORMATION

Year Ended June 30, 2024

Table of Contents

Independent Auditor's Report

To the Board of Directors
Mission Road Ministries and affiliates

Opinion

We have audited the accompanying combined financial statements of Mission Road Ministries (a nonprofit organization) and affiliates, which comprise the combined statements of financial position as of June 30, 2024 and 2023, the related combined statements of activities and functional expenses for the year ended June 30, 2024, the related combined statements of cash flows for the years ended June 30, 2024 and 2023, and the related notes to the combined financial statements.

In our opinion, based on our audits and the reports of the other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of Mission Road Ministries and affiliates as of June 30, 2024 and 2023, their changes in net assets for the year ended June 30, 2024, and their cash flows for the years ended June 30, 2024 and 2023, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of 200 Oblate, Incorporated d/b/a Murray Manor; Independence Square, Inc.; or Meadow Brook Apartments, which statements together reflect total assets of $1,659,095 and $1,654,981 as of June 30, 2024 and 2023, respectively, and total revenues of $594,061 and $611,245, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for 200 Oblate, Incorporated d/b/a Murray Manor; Independence Square, Inc.; or Meadow Brook Apartments, is based solely on the reports of the other auditors.

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 Mission Road Ministries 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mission Road Ministries' ability to continue as a going concern within one year after the date that the combined 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 combined 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.

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Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 combined 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 combined 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 Mission Road Ministries' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mission Road Ministries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Mission Road Ministries and affiliates' 2023 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated November 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position and activities shown on pages 23 and 24 are presented for the purpose of additional analysis of the combined financial statements and it is not a required part of the combined 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 combined financial statements. The combining statements of financial position and activities have been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of financial position and activities, which insofar as they relate to 200 Oblate, Incorporated d/b/a Murray Manor; Independence Square, Inc.; or Meadow Brook Apartments, are based on the reports of other auditors, are fairly stated in all material respects in relation to the combined financial statements as a whole.

San Antonio, Texas
December 5, 2024

MISSION ROAD MINISTRIES AND AFFILIATES

COMBINED STATEMENT OF FINANCIAL POSITION

June 30, 2024 and 2023

ASSETS	2024	2023
Current assets:		
Cash and cash equivalents	$ 2,007,142	$ 1,919,537
Restricted cash - client trust funds	249,131	289,336
Accounts receivable:		
Program fees, tuition, and expense reimbursements, net of allowance for credit losses of $119,872 and $173,895, respectively	1,458,588	1,367,168
Other	35,006	1,523
Prepaid expenses and other assets	162,190	88,506
Total current assets	3,912,057	3,666,070
Investments:		
Investments, general	16,815,721	14,239,714
Investments, endowment	1,031,739	929,871
Total investments	17,847,460	15,169,585
Property and equipment, net	13,102,881	13,946,748
Other assets:		
Restricted cash - HUD apartments	162,054	138,859
Total assets	$ 35,024,452	$ 32,921,262
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable - trade	$ 489,093	$ 449,831
Accrued retirement plan contribution	88,500	88,500
Accrued salary and related expenses	520,138	505,596
Client trust funds	249,131	289,336
Deferred revenue	102,965	36,162
Current portion of long-term debt	38,333	34,959
Other current liabilities	45,903	45,489
Total current liabilities	1,534,063	1,449,873
Long-term debt, net of current portion	906,608	944,950
Total liabilities	2,440,671	2,394,823
Net assets:		
Without donor restrictions:		
Operations	17,356,573	14,553,289
Property and equipment	12,069,546	12,878,445
Total net assets without donor restrictions	29,426,119	27,431,734
With donor restrictions	3,157,662	3,094,705
Total net assets	32,583,781	30,526,439
Total liabilities and net assets	$ 35,024,452	$ 32,921,262

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

MISSION ROAD MINISTRIES AND AFFILIATES

COMBINED STATEMENT OF ACTIVITIES

Year Ended June 30, 2024
(With Comparative Totals For Year Ended June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Support and revenue:				
Special events:				
Gross revenue	$ 1,101,798	$ 180,837	$ 1,282,635	$ 1,255,428
Less direct expenses	(153,514)	-	(153,514)	(135,662)
Net special events support	948,284	180,837	1,129,121	1,119,766
Contributions	1,465,080	669,419	2,134,499	1,294,002
United Way allocation	347,845	-	347,845	334,500
Governmental support:				
Program service fees and tuition	12,842,042	-	12,842,042	12,555,144
CARES Act Provider Relief Fund	-	-	-	551,191
Private program service fees and tuition	2,942,702	-	2,942,702	2,847,783
Rental revenue, net of vacancies of $41,795 for 2024 and $42,359 for 2023	589,468	-	589,468	567,934
Interest and dividends, net of fees	363,482	36,114	399,596	268,074
Realized losses on investments, net	(118,056)	(29,134)	(147,190)	(56,995)
Gains on disposal of property and equipment	38,069	-	38,069	76,213
Miscellaneous	37,346	-	37,346	49,031
	19,456,262	857,236	20,313,498	19,606,643
Net assets released from restrictions	942,532	(942,532)	-	-
Total support and revenue	20,398,794	(85,296)	20,313,498	19,606,643
Expenses:				
Program services:				
Habilitation and care	17,958,527	-	17,958,527	18,911,870
Supporting services:				
Administrative and general	1,407,640	-	1,407,640	1,423,087
Fundraising	344,086	-	344,086	368,484
Total expenses	19,710,253	-	19,710,253	20,703,441
Change in net assets before unrealized gains	688,541	(85,296)	603,245	(1,096,798)
Unrealized gains on investments	1,305,844	148,253	1,454,097	1,237,679
Change in net assets	1,994,385	62,957	2,057,342	140,881
Net assets at beginning of year	27,431,734	3,094,705	30,526,439	30,385,558
Net assets at end of year	$ 29,426,119	$ 3,157,662	$ 32,583,781	$ 30,526,439

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

MISSION ROAD MINISTRIES AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024
(With Comparative Totals For Year Ended June 30, 2023)

	Program Services	Supporting Services		Total	
	Habilitation and Care	Administrative and General	Fundraising	2024	2023
Salaries	$ 8,971,749	$ 952,640	$ 244,037	$ 10,168,426	$ 11,062,933
Payroll taxes and employee benefits	1,575,446	166,452	38,638	1,780,536	1,878,935
Total salary and related expenses	10,547,195	1,119,092	282,675	11,948,962	12,941,868
Professional service fees	154,489	102,087	138	256,714	206,047
Program service fees	2,798,651	-	-	2,798,651	2,797,708
IT support services	259,148	44,018	18,812	321,978	376,619
Training - client	303,690	-	-	303,690	300,896
Supplies	835,528	13,660	2,468	851,656	823,748
Telephone	97,841	2,206	1,659	101,706	106,562
Occupancy	1,008,368	19,589	69	1,028,026	955,646
Corporate insurance	321,845	54,896	-	376,741	340,028
Transportation	184,255	67	707	185,029	161,255
Specific assistance to individuals	290,640	-	-	290,640	310,771
Membership dues	30,979	71	5,695	36,745	24,939
Miscellaneous	92,143	23,420	8,444	124,007	135,163
Bad debt	5,145	-	-	5,145	45,072
Special events - indirect expense	-	21,615	23,419	45,034	55,155
Interest expense	8,607	-	-	8,607	11,707
Total expenses before depreciation	16,938,524	1,400,721	344,086	18,683,331	19,593,184
Depreciation	1,026,922	-	-	1,026,922	1,110,257
Total expenses	$ 17,965,446	$ 1,400,721	$ 344,086	$ 19,710,253	$ 20,703,441

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

MISSION ROAD MINISTRIES AND AFFILIATES

COMBINED STATEMENT OF CASH FLOWS

Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 2,057,342	$ 140,881
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	1,026,922	1,110,257
Bad debt expense	5,145	45,072
Gains on disposal of property and equipment	(38,069)	(76,213)
Contributions restricted for purchase of property and equipment	(65,100)	(177,888)
Realized and unrealized (gains) and losses, net	(1,306,907)	(1,180,684)
Change in:		
Accounts receivable	(130,048)	569,210
Promises to give receivable	-	12,185
Prepaid expenses and other assets	(73,684)	(41,058)
Accounts payable	39,262	(23,030)
Accrued retirement plan contribution	-	(376)
Accrued salary expenses	14,542	72,447
Client trust funds	(40,205)	43,098
Deferred revenues	66,803	(24,859)
Other current liabilities	414	(1,649)
Net cash provided by operating activities	1,556,417	467,393
Cash flows from investing activities:		
Purchases of property and equipment	(326,309)	(173,969)
Proceeds from sales of property and equipment	181,323	-
Proceeds from sales and maturities of investments	4,891,400	1,758,752
Purchases of investments	(6,262,368)	(1,791,658)
Net cash used by investing activities	(1,515,954)	(206,875)
Cash flows from financing activities:		
Proceeds from contributions restricted for purchase of property and equipment	65,100	177,888
Principal payments on long-term debt	(34,968)	(31,890)
Net cash provided by financing activities	30,132	145,998
Net increase in cash, cash equivalents, and restricted cash	70,595	406,516
Cash, cash equivalents, and restricted cash at beginning of year	2,347,732	1,941,216
Cash, cash equivalents, and restricted cash at end of year	$ 2,418,327	$ 2,347,732
Schedule of supplemental cash flow information:		
Reconciliation of cash, cash equivalents, and restricted cash to statement of financial position:		
Cash and cash equivalents	$ 2,007,142	$ 1,919,537
Restricted cash - client trust funds	249,131	289,336
Restricted cash - HUD apartments	162,054	138,859
Total cash, cash equivalents, and restricted cash	$ 2,418,327	$ 2,347,732
Interest paid	$ 8,607	$ 11,707

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

1 NATURE OF ORGANIZATION

In 2000, Mission Road Ministries (MRM), a 501(c)(3) nonprofit organization, was formed for governance and oversight of other 501(c)(3) nonprofit agencies. The combined financial statements include the accounts of MRM, all the affiliated agencies mentioned below, and the Bledsoe Foundation. The agencies currently overseen by MRM are Mission Road Developmental Center, Inc. (MRDC) and three U.S. Department of Housing and Urban Development (HUD)-subsidized apartments: 200 Oblate, Incorporated d/b/a Murray Manor (200 Oblate), Independence Square, Inc. (Independence Square), and Meadow Brook Apartments (Meadow Brook) (together, the Affiliates). These nonprofit agencies provide a continuum of care for persons with intellectual and other developmental disabilities. The combined group is referred to as the Organization. The Organization's mission is to provide quality care and training for this special population so that each individual may achieve their potential for independence, productivity, self-reliance, and integration into the community. This is accomplished by coordinating complementary services provided by the five (5) affiliate operating agencies (see Note 17). The Organization is also affiliated with the Clifford Craig Bledsoe Memorial Foundation (the Bledsoe Foundation), which was created in a trust indenture on July 3, 1967 for the sole purpose of providing financial support to MRDC.

Founded in 1947 in San Antonio, Texas, MRDC provides a continuum of care for children and adults with intellectual and other developmental disabilities (IDD) in residential, nonresidential, and life skills/vocational settings. Services are provided in the person’s residence (in-home services), at the MRDC Adult Individual Skills and Socialization (ISS) facilities, at the Unicorn Centers campus on Hamilton-Wolfe Road, and in residential programs consisting of six (6) campus cottages located on its 20-acre campus and eighteen (18) community group homes throughout San Antonio. MRDC provides quality care and training where persons are given the opportunity to achieve their individual potential for independence, productivity, and integration into the community.

200 Oblate, Independence Square, and Meadow Brook (together, the Apartments) are three HUD-subsidized apartment projects designed to provide affordable supervised semi-independent living for persons with intellectual and other developmental disabilities. With minimal support provided, these individuals work and live as independently as possible.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The combined financial statements include MRM, MRDC, 200 Oblate, Independence Square, Meadow Brook, and the Bledsoe Foundation (the Organization). These entities share some common directors and management. All significant inter-organizational accounts and transactions have been eliminated in combination.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets, as follows:

- Without Donor Restrictions - Resources that are expendable at the discretion of the Board of Directors for conducting the operations of the Organization. Net assets without donor restrictions may be designated by the Board of Directors for a specific purpose.
- With Donor Restrictions - Resources that are limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled and otherwise removed by actions of the Organization pursuant to those restrictions or that neither expire by the passage of time, nor can be fulfilled or otherwise removed by actions of the Organization.

(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Cash, Cash Equivalents, and Restricted Cash

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

Amounts included in restricted cash represent funds held in trust accounts for clients of MRDC and the Apartments, and funds that the Apartments are required to set aside for the replacement of property and other project expenditures as approved by HUD.

Promises to Give

Promises receivable consist of promises to give from individuals, corporations, foundations, and other agencies. Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises then become unconditional.

All promises to give are due in less than one year; therefore, no discount has been applied and management believes they are presented at their net realizable value.

Accounts Receivable

Accounts receivable primarily consist of tuition and expense reimbursements from various individuals, organizations, and governmental agencies for program services provided by the Organization. Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Organization separates accounts receivable into risk pools based on their aging and type. In determining the amount of the allowance as of the balance sheet date, the Organization develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. Uncollectible balances are charged to the allowance once the Organization has concluded efforts to collect the receivable.

Investments

Investments in marketable securities with readily determinable fair values are stated at fair value.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment that cost $5,000 or more. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.

(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Depreciation is based on the following estimated useful lives:

	Years
Buildings and improvements	5 - 50
Equipment	3 - 25
Furniture and fixtures	5 - 15
Vehicles	3 - 7

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Revenues from sponsorships, table sales, and ticket sales for special events are recognized when the event is held, as those contributions are conditioned on the performance of the event. Amounts received prior to the related special event are reported as deferred revenue in the Statement of Financial Position.

Revenue with and without Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets with donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Income Tax Status

MRM and its affiliates are all exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, MRM and its affiliates qualify for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

During fiscal year 2013, MRM and MRDC voluntarily elected to file with the IRS Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation*. This Board-approved action was made to take advantage of IRS rules that set out spending limits for lobbying purposes with various levels of penalties, before loss of the 501(c)(3) status. Without the election, the only sanction for lobbying violations was loss of the 501(c)(3) status. The election begins for the fiscal year in which the election was made, and is in force until revoked by MRM and/or MRDC. There are no immediate plans for lobbying activities, but if there are in the future, they must be approved by affirmative Board action. This election provides a level of protection to the 501(c)(3) status not otherwise available.

(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The cost of providing the various programs and activities has been summarized on a functional basis in the statements of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Professional administrative and fundraising expenses are centralized under MRM to eliminate some redundancy at the affiliate level. MRM charges MRDC a management fee to perform these functions. The total annual management fee expenditure has been allocated to various MRDC expense accounts based on the actual administrative and fundraising expense account activities of MRM. Management fee revenues and expenses are eliminated in combination.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Advertising Expenses

Advertising and similar expenses are expensed as incurred, and are not capitalized.

Change in Accounting Principle

Adoption of FASB ASC 842 (Leases)

Effective July 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

The adoption of FASB ASC 842 did not have a material impact on the Organization's financial statements.

Adoption of FASB ASC 326 (Financial Instruments – Credit Losses)

Effective July 1, 2023, the Organization adopted FASB ASC 326, *Financial Instruments – Credit Losses*. This standard replaces the incurred loss method of measuring financial assets with an expected loss method, which is referred to as the current expected credit loss (CECL) model. CECL requires an estimate of credit losses over the life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. For the Organization, the standard applies to the measurement of its accounts receivable for program tuition and expense reimbursements. Accounts receivable are now presented by using an allowance for credit losses to reduce the receivables balance to the net amount expected to be collected over the lives of the receivables. The Organization adopted the new standard using the modified retrospective approach for accounts receivable, in which the impact of applying the CECL method to prior periods is recorded as an adjustment to net assets in the current year. However, no transition measurement was recorded this year, as application of the CECL method did not result in a material change to the measurement of accounts receivable

Subsequent Events

The Organization has evaluated subsequent events through December 5, 2024, the date which the financial statements were available for issue.

3 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalent balances in one financial institution. At June 30, 2024, the Organization's cash and cash equivalents exceeded federally insured limits by $1,825,385 in one financial institution.

4 PROGRAM FEES, TUITION, AND EXPENSE REIMBURSEMENTS RECEIVABLE

Receivables result primarily from government agencies, individual families, and organizations other than affiliates who utilize services provided by the Organization. Program fees, tuition, and expense reimbursement receivables consisted of the following at June 30:

	2024	2023
Program fees, tuition, and expense reimbursements:		
Due from government agencies	$ 1,312,796	$ 1,239,948
Due from private payors	265,664	301,115
Program fees, tuition, and expense reimbursements receivable, gross	1,578,460	1,541,063
Less allowance for credit losses	(119,872)	(173,895)
Program fees, tuition, and expense reimbursements receivable, net	$ 1,458,588	$ 1,367,168

Changes in the allowance for credit losses for the years ended June 30, 2024 and 2023 were as follows:

	2024	2023
Balance, beginning of year	$ 173,895	$ 198,146
Provisions for credit losses	4,775	59,922
Write-offs of uncollectible accounts, net of recoveries	(58,798)	(84,173)
Balance, end of year	$ 119,872	$ 173,895

5 INVESTMENTS

Investments, including endowment investments, consisted of the following at June 30, 2024 and 2023:

	2024	2023
Cash and money market funds	$ 1,639,564	$ 1,705,867
Equities	2,715,375	2,395,938
Mutual funds:		
Bond funds	3,716,509	3,312,649
International bond funds	820,370	663,930
Bond/equity blended funds	10,213	7,795
Large equity blend funds	1,235,905	739,322
Foreign large equity blend funds	653,177	572,523
Large equity value funds	1,201,501	756,462
Foreign large equity value funds	657,056	581,051
Large equity growth funds	1,248,524	791,711
Foreign large equity growth funds	655,522	565,292
Mid-cap equity funds	1,002,831	1,044,915
Small-cap equity blend funds	291,119	319,643
World allocation funds	348,174	310,754
Emerging market funds	609,742	465,488
Long-short equity funds	143,031	105,365
Relative value arbitrage funds	416,944	398,399
Options trading funds	343,129	336,410
Macro trading funds	74,901	41,069
Real estate funds	63,873	55,002
	$ 17,847,460	$ 15,169,585

Investment return is summarized as follows:

	2024	2023
Interest and dividend income	$ 457,908	$ 320,646
Investment management fees	(58,312)	(52,572)
Investment income, net of fees	399,596	268,074
Realized gains and losses	(147,190)	(56,995)
Unrealized gains and losses	1,454,097	1,237,679
Total investment return	$ 1,706,503	$ 1,448,758

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes 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 or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). At June 30, 2024 and 2023, the Organization’s investments were reported at fair value using a Level 1 measure.

Investment Drawdown under Compelling Need Spending Policy

The Organization’s board-approved investment policy allows for the expenditure of up to 5% of investment assets, based on a rolling three-year average as of the end of the previous calendar year, when there is a “compelling necessity to allow MRM and its’ affiliates to carry out its Mission without diluting the quality of care provided to its clients”. In light of financial pressures brought on by the COVID-19 pandemic, this policy was implemented in fiscal year 2022 and funds totaling $-0- and $320,000 were pulled from the Organization’s investment accounts to fund operations during the year ended June 30, 2024 and 2023, respectively.

6 PROPERTY AND EQUIPMENT

At June 30, the carrying values of property and equipment were as follows:

	2024	2023
Land and land improvements	$ 721,286	$ 721,286
Buildings and improvements	23,418,698	23,458,393
Equipment	1,823,227	1,788,846
Furniture and fixtures	110,364	107,227
Vehicles	1,525,702	1,525,702
Construction in progress	151,797	17,179
Property and equipment, gross	27,751,074	27,618,633
Accumulated depreciation	(14,648,193)	(13,671,885)
Property and equipment, net	$ 13,102,881	$ 13,946,748

Insurance Proceeds from Damage to Property and Equipment

In the year ended June 30, 2021, damage to a roof of a facility owned by the Organization was discovered, and an insurance claim was made. Related to this claim, during the year ended June 30, 2021 the Organization received proceeds in the amount of $247,488 and wrote off property and equipment assets with a net book value of $107,307, resulting in a net gain from involuntary conversion of property and equipment in the amount of $140,181. During the year ended June 30, 2023, the Organization received additional proceeds on this claim totaling $76,213, which have been recognized as a gain. Roof replacement costs have been capitalized and are subject to depreciation.

7 RESTRICTED CASH – HUD APARTMENT PROJECTS

Under the terms of the HUD Regulatory Agreement, projects are required to set aside specified amounts for the replacement of property and other project expenditures as approved by HUD. Restricted reserve for replacement funds totaling $159,014 and $135,838 at June 30, 2024 and 2023, respectively, were held in separate accounts and generally not available for operating purposes.

The projects are also required to fund a residual receipts account based upon HUD's calculation of surplus cash. Restricted residual receipt funds totaling $3,040 and $3,021 at June 30, 2024 and 2023, respectively, were held in a separate account and generally not available for operating purposes unless approved by HUD.

Restricted cash - HUD apartments, which is comprised of the restricted funds mentioned in the preceding two paragraphs plus escrow deposits, totaled $162,054 and $138,859 at June 30, 2024 and 2023, respectively.

8 CLIENT TRUST FUNDS

MRDC and the Apartments administer cash trust accounts for their clients. These funds totaled $249,131 and $289,336 at June 30, 2024 and 2023, respectively. A corresponding liability is recorded in current liabilities in the statement of financial position.

9 CONDITIONAL GRANTS

During the year ended June 30, 2024, MRDC received a conditional grant with a total grant award of $1,585,111 to be paid out over three years. Since this grant is a promise to give that is conditioned on future uncertain events, grant award amounts are not recorded as contribution revenue until the conditions are met. Funds received in advance of the conditions being met are recorded as refundable advances, and will subsequently be recognized as contribution revenue when donor conditions are met.

A breakdown of the grant awards that are paid and unpaid at year end is as follows:

	2024
Grant payments recorded as revenue	$ 280,575
Grant payments not yet recorded as revenue	86,450
Total payments received as of June 30, 2024	367,025
Remaining balance of conditional grant award	1,218,086
Total conditional grant award	$ 1,585,111

Payments under this grant are expected to be received in the following years:

2025	$ 579,213
2026	425,531
2027	213,342
	$ 1,218,086

10 DEFERRED REVENUE

The change in the Organization's deferred revenue for the years ended June 30, 2024 and 2023 is comprised of the following:

	2024	2023
Balance at beginning of year	$ 36,162	$ 61,021
Additions:		
Grant proceeds received but not yet earned	86,450	-
Rent prepayments for upcoming year	15	537
Sponsorships, table sales, ticket sales for special event in upcoming year	16,500	35,625
Reductions:		
Rent revenue earned	(537)	(2,221)
Special event revenue earned	(35,625)	(58,800)
Balance at end of year	$ 102,965	$ 36,162

11 LONG-TERM DEBT

Long-term debt as of June 30 consisted of the following:

	2024	2023
Independence Square mortgage note payable to HUD, secured by land and building, payable in monthly installments of $3,654 including interest at 9.25%, maturing on May 1, 2026.	$ 76,741	$ 111,709
200 Oblate mortgage note payable to HUD, interest at 7.875% should the mortgagor default on the note. Interest will accrue from the funding date of the note until the entire note is paid off. If there is no default on the loan by August 1, 2036, the entire note and accrued interest will be forgiven. As it is management's intention to adhere to the requirements of the note, interest has not been accrued.	868,200	868,200
	944,941	979,909
Less current portion	(38,333)	(34,959)
	$ 906,608	$ 944,950

Future principal maturities of long-term debt are as follows:

Year Ending June 30,	Amount
2025	$ 38,333
2026	38,408
2027	-
2028	-
2029	-
Thereafter	868,200
	$ 944,941

Total interest expense on long-term debt during the years ended June 30, 2024 and 2023 was $8,607 and $11,707, respectively.

12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30:

	2024	2023
Subject to expenditures for specified purpose or time periods:		
Endowment earnings	$ 613,512	$ 509,750
Other property and equipment additions and improvements	54,484	1,980
Future program expenses	44,775	271,150
Meadow Brook HUD capital advance	1,399,000	1,399,000
Bledsoe Foundation net assets for benefit of MRDC	535,877	405,302
Total net assets subject to expenditures for specified purpose or time periods	2,647,648	2,587,182
Subject to restrictions that are perpetual in nature:		
Endowment to provide operating income	421,620	419,129
Mockingbird Property (included in fixed assets)	88,394	88,394
Total net assets with donor restrictions	$ 3,157,662	$ 3,094,705

(Continued)

12 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

	2024	2023
Satisfaction of purpose or time restrictions:		
Camps and SOAR	$ 251,765	$ 115,723
Property and equipment purchases	255,930	-
Other program services	434,837	342,872
Net assets released from restriction	$ 942,532	$ 458,595

13 ENDOWMENT

General Information

MRM maintains an endowment fund established for a variety of purposes. These endowments include both donor-restricted endowment contributions and funds designated by the Board to function as endowments. The donor-restricted endowment funds fall under the provisions of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was adopted by the state of Texas with an effective date of September 1, 2007. This policy defines MRM's interpretation of the provisions of this law as they relate to the prudent management of its endowment fund.

Background

In July, 2006, the Uniform Law Commission (ULC) approved UPMIFA as a modernized version of the Uniform Management of Institutional Funds Act of 1972 (UMIFA), which governed the investment and management of donor-restricted endowment funds by not-for-profit organizations. The major change of the new law is that UPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund when there are no explicit donor stipulations. These guidelines require MRM to determine what constitutes prudent spending based upon consideration of the donor's intent that the endowment fund continues permanently, the purpose of the fund, and relevant economic factors. UPMIFA emphasizes the perpetuation of the purchasing power of the fund, not just the original dollars contributed to the fund. Although UPMIFA does not require that a specified amount be set aside as principal, it does assume that an organization will preserve "principal" by maintaining the purchasing power of amounts contributed, and will spend "income" by making distributions using a reasonable spending rate.

Endowment "Principal" Interpretation

MRM has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, MRM classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment (the "Principal"). The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by MRM in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment Investment Objectives

Endowment investments are managed by professional money managers under the direction of the Investment and Endowment Committee of the Board of MRM. Funds are invested in a manner that seeks to produce results that meet or exceed the performance of generally recognized market indices, while assuming a moderate level of investment risk. To satisfy this performance objective, MRM relies on an absolute return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). MRM targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(Continued)

13 ENDOWMENT (Continued)

Endowment "Income" Appropriation (Spending Policy)

All earnings are reinvested until appropriated for expenditure by decision of the MRM Board of Directors, Finance Committee, and Investment & Endowment Committee. In accordance with UPMIFA, in all its endowment spending activity, MRM considers the following factors in making a determination to appropriate (spend) or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of MRM and the donor-restricted endowment fund
3. General economic and investment market conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of MRM, and
7. The investment policies of MRM

Endowment net asset composition by type of fund as of June 30, 2024 and 2023 is as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,035,132	$ 1,035,132

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 928,879	$ 928,879

Changes in endowment net assets for the years ended June 30, 2024 and 2023 were as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 928,879	$ 928,879
Interest and dividends	-	27,133	27,133
Investment management fees	-	(3,783)	(3,783)
Investment income, net	-	23,350	23,350
Realized gains (losses)	-	(29,229)	(29,229)
Unrealized gains (losses)	-	109,641	109,641
Contributions	-	2,491	2,491
Endowment net assets, end of year	$ -	$ 1,035,132	$ 1,035,132

(Continued)

13 ENDOWMENT (Continued)

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 849,565	$ 849,565
Interest and dividends	-	20,627	20,627
Investment management fees	-	(3,558)	(3,558)
Investment income, net	-	17,069	17,069
Realized gains (losses)	-	(13,454)	(13,454)
Unrealized gains (losses)	-	76,949	76,949
Transfers	-	(1,250)	(1,250)
Endowment net assets, end of year	$ -	$ 928,879	$ 928,879

14 SUPPORT AND REVENUE

Support and Revenue Concentrations

The Organization received $13,114,248, and $13,375,801 of revenue from governmental agencies, including rental assistance payments for apartment tenants of $272,206 and $269,466, for the years ended June 30, 2024 and 2023, respectively. Total revenue from governmental agencies equates to 64.6% and 68.2%, respectively, of total support and revenue for those years.

15 SPECIAL EVENTS

MRM holds one special event, the Grand Western Shindig (“Shindig”), each year to support programs of MRDC. Net proceeds after deducting direct and indirect event costs are distributed to MRDC as approved by the MRM board of directors. MRDC holds a special event, the Supported Employment Luncheon, to recognize clients and their community employers. Net proceeds are used in the Supported Employment Program to assist individuals to seek and maintain employment in the community.

Revenues and expenses related to these two events for the years ended June 30, 2024 and 2023 are summarized as follows:

	2024		
	MRM Shindig	MRDC Unicorn Supported Emp. Luncheon	Total
Special events gross revenue, unrestricted	$ 853,438	$ 248,360	$ 1,101,798
Special events gross revenue, donor restricted	180,837	-	180,837
Special events revenue, gross	1,034,275	248,360	1,282,635
Special events direct expenses	(125,565)	(27,949)	(153,514)
Special events indirect expenses (included in fundraising expense)	(23,419)	(21,615)	(45,034)
Special events revenue and expenses, net	$ 885,291	$ 198,796	$ 1,084,087

	2023		
	MRM Shindig	MRDC Unicorn Supported Emp. Luncheon	Total
Special events gross revenue, unrestricted	$ 894,965	$ 215,286	$ 1,110,251
Special events gross revenue, donor restricted	145,177	-	145,177
Special events revenue, gross	1,040,142	215,286	1,255,428
Special events direct expenses	(101,273)	(34,389)	(135,662)
Special events indirect expenses (included in fundraising expense)	(46,022)	(9,133)	(55,155)
Special events revenue and expenses, net	$ 892,847	$ 171,764	$ 1,064,611

16 LEASES

The Organization had one noncancellable operating lease that expired in February 2024, and several month-to-month operating leases for office equipment and storage space. Rental expenses under these leases consisted of $3,722 and $9,276, for the years ended June 30, 2024 and 2023, respectively.

17 AFFILIATE ORGANIZATIONS AND RELATED PARTY INFORMATION

MRM provides centralized administrative support and ongoing coordinated oversight of the other affiliates. As part of the support MRM and affiliates share pooled corporate insurance policies. The annual premium for these insurance policies are paid proportionately by MRM and its affiliates creating cost benefits as a result of common management. MRM charges its affiliates a management fee for the support and oversight that it provides. MRM charged management fees of $1,548,920 and $1,547,719 to its affiliates in 2024 and 2023, respectively. MRM also contributes to its affiliates in support of their missions. MRM contributed $904,792 and $912,347 to affiliates to support program activities in 2024 and 2023, respectively. The Bledsoe Foundation made contributions to MRDC of $4,342 and $4,635 in 2024 and 2023, respectively. These management fees and contributions and all related receivables and payables are eliminated upon combination.

18 EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

The Organization has a defined contribution employee benefit plan that covers all MRM and MRDC full-time and non-excluded class employees who are active employees on December 31, have attained age 21, and have completed three months of service. Retirement plan expense for the years ended June 30, 2024 and 2023 were $223,603 and $214,176, respectively, which includes administrative expenses and fees of $46,603 and $37,552, respectively.

Deferred Compensation Plan

MRM has a 457(b) deferred compensation plan that covers eligible employees of MRM and MRDC. Eligible employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The Organization may make contributions to the plan at its discretion, and contribution expenses are charged to MRM and/or MRDC when relevant. MRDC serves as custodian of the plan assets, which remain under the control of MRDC until qualified disbursements are made to participating employees. The Organization’s plan expenses were $723 and $688 for the years ended June 30, 2024 and 2023, respectively.

19 HUD APARTMENTS MANAGED BY THIRD-PARTY MANAGEMENT COMPANY

200 Oblate has contracted with RC Management, Inc. (the Management Company) to provide management services. The charges for these services are based on a management agreement. The charges are 6.77% of collected rental income plus $11 per unit, per month. Until December 31, 2022, 200 Oblate contracted with Suzanne Smith Management Company (the Previous Management Company) to provide management services. Charges for those services were based on a management agreement and were 7.8% of collected rental income not to exceed $35.33 per unit, per month. For the years ended June 30, 2024 and 2023, management fees charged amounted to $15,895 and $12,187, respectively. All payroll and related activities (payroll taxes, workers' compensation insurance, employee benefits, and other) of 200 Oblate are transacted through the Management Company, and totaled $46,326 and $61,902 for the years ended 2024 and 2023, respectively.

(Continued)

19 HUD APARTMENTS MANAGED BY THIRD-PARTY MANAGEMENT COMPANY (Continued)

Independence Square has contracted with the Management Company to provide management services. The charges for these services are based upon a management agreement. The charges are 3.75% of collected rental income plus $11 per unit, per month. Until December 31, 2022, Independence Square contracted with the Previous Management Company to provide management services. Charges for those services were based on a management agreement and were 7.5% of collected rental income. For the years ended June 30, 2024 and 2023, management fees charged amounted to $9,673 and $12,648, respectively. All payroll and related activities (payroll taxes, workers' compensation insurance, employee benefits, and other) of Independence Square are transacted through the Management Company, and totaled $47,256 and $47,368 for the years ended 2024 and 2023, respectively.

Meadow Brook has contracted with the Management Company to provide management services. The charges for these services are based upon a management agreement. The charges are 6.1% of collected rental income plus $11 per unit, per month. Until December 31, 2022, Meadow Brook contracted with the Previous Management Company to provide management services. Charges for those services were based on a management agreement and were $35.33 per unit, per month. For the years ended June 30, 2024 and 2023, management fees charged amounted to $12,384 and $9,562, respectively. All payroll and related activities (payroll taxes, workers' compensation insurance, employee benefits, and other) of Meadow Brook are transacted through the Management Company, and totaled $55,231 and $60,262 for the years ended 2024 and 2023, respectively. During the year ended June 30, 2023, MRDC forgave a debt owed by Meadow Brook in the amount of $15,581, resulting in an expense to MRDC and a gain to Meadow Brook of that amount. That transaction has been eliminated in combination.

20 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes include amounts restricted for expenditure in the upcoming fiscal year. Accounts receivable are subject to an implied time restriction but are expected to be collected within one year, except for promises to give that are due in future years.

Cash and cash equivalents	$ 2,007,142
Restricted cash	411,185
Accounts receivable, net	1,493,594
Investments	17,847,460
Financial assets at year end	21,759,381
Less those unavailable for general expenditure within one year, due to:	
Cash restricted for specific uses	(411,185)
Investments with donor restrictions that are perpetual in nature	(421,620)
Donor-restricted to expenditure for specific purpose	(2,647,648)
Financial assets available to meet cash needs for general expenditure within one year	$ 18,278,928

The Organization plans to keep cash and cash equivalents on hand that are adequate to cover three months of regular operating expenses, and invests any surplus in a variety of investments that include equities, bonds, and mutual funds. As part of the Organization'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. At June 30, 2024, the Organization had financial assets available to meet cash needs for general expenditure within one year that were equivalent to roughly 338 days of average operating expenses.

21 SUBSEQUENT EVENTS

United Way Funding

MRM's existing five-year partnership agreement with United Way ends on June 30, 2025. MRM has successfully applied for and been awarded a new five-year agreement, with a scheduled award of $300,000 annually, to begin on July 1, 2025. Revenues from these agreements will be recognized when received, as the funding for each year of these agreements is subject to various conditions.

Consolidation of Children's Homes

In August 2024, the four campus children's homes were consolidated to three, due to declining program census. The fourth home was mothballed and stands vacant for future use. This action is expected to reduce program operating expenses in the upcoming year.

SUPPLEMENTARY INFORMATION

MISSION ROAD MINISTRIES AND AFFILIATES

COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2024

	Mission Road Ministries	Mission Road Developmental Center, Inc.	200 Oblate, Inc.	Independence Square, Inc.	Meadow Brook Apartments	Clifford Craig Bledsoe Memorial Foundation	Eliminations	Total
ASSETS								
Current assets:								
Cash and cash equivalents	$ 341,583	$ 1,630,760	$ 16,012	$ 10,130	$ 8,657	$ -	$ -	$ 2,007,142
Restricted cash - client trust funds	-	235,532	5,193	3,110	5,296	-	-	249,131
Accounts receivable:								
Program fees, tuition, and expense reimbursements, net of allowance for credit losses of $119,872	-	1,455,684	828	2,076	-	-	-	1,458,588
Affiliate	249,263	-	-	-	-	-	(249,263)	-
Other	13,028	21,978	-	-	-	-	-	35,006
Prepaid expenses and other assets	4,890	111,912	14,539	14,180	16,669	-	-	162,190
Total current assets	608,764	3,455,866	36,572	29,496	30,622	-	(249,263)	3,912,057
Investments:								
Investments, general	3,929,789	12,350,055	-	-	-	535,877	-	16,815,721
Investments, endowment	1,031,739	-	-	-	-	-	-	1,031,739
Total investments	4,961,528	12,350,055	-	-	-	535,877	-	17,847,460
Property and equipment, net	-	11,702,530	453,907	185,296	761,148	-	-	13,102,881
Other assets:								
Restricted cash - HUD apartments	-	-	53,788	78,985	29,281	-	-	162,054
Total assets	$ 5,570,292	$ 27,508,451	$ 544,267	$ 293,777	$ 821,051	$ 535,877	$ (249,263)	$ 35,024,452
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable:								
Trade	$ 9,376	$ 457,899	$ 12,194	$ 2,382	$ 7,242	$ -	$ -	$ 489,093
Affiliate	134,611	114,652	-	-	-	-	(249,263)	-
Accrued retirement plan contribution	11,011	77,489	-	-	-	-	-	88,500
Accrued salary and related expenses	65,026	451,434	1,171	1,134	1,373	-	-	520,138
Client trust funds	-	235,532	5,193	3,110	5,296	-	-	249,131
Deferred revenue	6,500	96,450	13	-	2	-	-	102,965
Current portion of long-term debt	-	-	-	38,333	-	-	-	38,333
Other current liabilities	-	42,871	1,386	592	1,054	-	-	45,903
Total current liabilities	226,524	1,476,327	19,957	45,551	14,967	-	(249,263)	1,534,063
Long-term debt, net of current portion	-	-	868,200	38,408	-	-	-	906,608
Total liabilities	226,524	1,476,327	888,157	83,959	14,967	-	(249,263)	2,440,671
Net assets:								
Without donor restrictions:								
Operations	4,308,636	14,230,335	70,403	101,263	(1,354,064)	-	-	17,356,573
Property and equipment	-	11,614,136	(414,293)	108,555	761,148	-	-	12,069,546
Total net assets without donor restrictions	4,308,636	25,844,471	(343,890)	209,818	(592,916)	-	-	29,426,119
With donor restrictions	1,035,132	187,653	-	-	1,399,000	535,877	-	3,157,662
Total net assets	5,343,768	26,032,124	(343,890)	209,818	806,084	535,877	-	32,583,781
Total liabilities and net assets	$ 5,570,292	$ 27,508,451	$ 544,267	$ 293,777	$ 821,051	$ 535,877	$ (249,263)	$ 35,024,452

MISSION ROAD MINISTRIES AND AFFILIATES

COMBINING STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	Without Donor Restrictions							
	Mission Road Ministries	Mission Road Developmental Center, Inc.	200 Oblate, Inc.	Independence Square, Inc.	Meadow Brook Apartments	Clifford Craig Bledsoe Memorial Foundation	Eliminations	**Subtotal**
Support and revenue:								
Special events:								
Gross revenue	$ 853,438	$ 248,360	$ -	$ -	$ -	$ -	$ -	$ 1,101,798
Less direct expenses	(125,565)	(27,949)	-	-	-	-	-	(153,514)
Net special events support	727,873	220,411	-	-	-	-	-	948,284
Contributions	114,345	1,350,735				-	-	1,465,080
United Way allocation	-	347,845	-	-	-	-	-	347,845
Allocations from MRM Shindig	-	708,797	-	-	-	-	(708,797)	-
Governmental support:								
Program service fees and tuition	-	12,842,042	-	-	-	-	-	12,842,042
Private program service fees and tuition	-	2,962,202	-	-	-	-	(19,500)	2,942,702
Rental revenue, net	-	-	188,354	227,264	173,850	-	-	589,468
Management fees	1,548,920	-	-	-	-	-	(1,548,920)	-
Interest and dividends, net of fees	90,652	272,830	-	-	-	-	-	363,482
Realized gains (losses) on investments, net	6,961	(125,017)	-	-	-	-	-	(118,056)
Gains on disposal of property and equipment	-	38,069	-	-	-	-	-	38,069
Miscellaneous	-	32,753	1,456	2,511	626	-	-	37,346
Related agency revenue - affiliate	6,919	800	-	-	-	-	(7,719)	-
	2,495,670	18,651,467	189,810	229,775	174,476	-	(2,284,936)	19,456,262
Net assets released from restrictions	179,843	936,932	-	-	-	6,594	(180,837)	942,532
Total support and revenue	2,675,513	19,588,399	189,810	229,775	174,476	6,594	(2,465,773)	20,398,794
Expenses:								
Program services:								
Habilitation and care	-	17,478,567	154,408	164,932	167,539	-	(6,919)	17,958,527
Affiliate expenses	904,792	-	-	-	-	4,342	(909,134)	-
Supporting services:								
Administrative and general	1,314,617	1,331,665	27,624	19,141	23,191	2,252	(1,310,850)	1,407,640
Fundraising	344,086	238,870	-	-	-	-	(238,870)	344,086
Total expenses	2,563,495	19,049,102	182,032	184,073	190,730	6,594	(2,465,773)	19,710,253
Change in net assets before unrealized gains	112,018	539,297	7,778	45,702	(16,254)	-	-	688,541
Unrealized gains on investments	298,962	1,006,882	-	-	-	-	-	1,305,844
Change in net assets	410,980	1,546,179	7,778	45,702	(16,254)	-	-	1,994,385
Net assets at beginning of year	3,897,656	24,298,292	(351,668)	164,116	(576,662)	-	-	27,431,734
Net assets at end of year	$ 4,308,636	$ 25,844,471	$ (343,890)	$ 209,818	$ (592,916)	$ -	$ -	$ 29,426,119

With Donor Restrictions						
Mission Road Ministries	Mission Road Developmental Center, Inc.	Meadow Brook Apartments	Clifford Craig Bledsoe Memorial Foundation	Eliminations	**Subtotal**	**Total**
$ 180,837	$ -	$ -	$ -	$ -	$ 180,837	$ 1,282,635
-	-	-	-	-	-	(153,514)
180,837	-	-	-	-	180,837	1,129,121
1,500	582,224	-	85,695	-	669,419	2,134,499
-	-	-	-	-	-	347,845
-	180,837	-	-	(180,837)	-	-
-	-	-	-	-	-	12,842,042
-	-	-	-	-	-	2,942,702
-	-	-	-	-	-	589,468
-	-	-	-	-	-	-
23,347	-	-	12,767	-	36,114	399,596
(29,229)	-	-	95	-	(29,134)	(147,190)
-	-	-	-	-	-	38,069
-	-	-	-	-	-	37,346
-	-	-	-	-	-	-
176,455	763,061	-	98,557	(180,837)	857,236	20,313,498
(179,843)	(936,932)	-	(6,594)	180,837	(942,532)	-
(3,388)	(173,871)	-	91,963	-	(85,296)	20,313,498
-	-	-	-	-	-	17,958,527
-	-	-	-	-	-	-
-	-	-	-	-	-	1,407,640
-	-	-	-	-	-	344,086
-	-	-	-	-	-	19,710,253
(3,388)	(173,871)	-	91,963	-	(85,296)	603,245
109,641	-	-	38,612	-	148,253	1,454,097
106,253	(173,871)	-	130,575	-	62,957	2,057,342
928,879	361,524	1,399,000	405,302	-	3,094,705	30,526,439
$ 1,035,132	$ 187,653	$ 1,399,000	$ 535,877	$ -	$ 3,157,662	$ 32,583,781