Helping Up Mission, Inc.
and Affiliates

Audited Consolidated Financial Statements

June 30, 2026 and 2025

Contents

Page

Independent Auditor's Report ..... 1 - 3

Financial Statements

Consolidated Statements of Financial Position ..... 4 - 5
Consolidated Statements of Activities 6
Consolidated Statements of Functional Expenses ..... 7 - 8
Consolidated Statements of Cash Flows 9
Notes to Consolidated Financial Statements ..... 10 – 43

Supplementary Information

Consolidating Statement of Financial Position - 2026 ..... 44 - 45
Consolidated Statement of Financial Position - 2025 ..... 46 - 47
Consolidating Statement of Activities - 2026 48
Consolidating Statement of Activities - 2025 49
Consolidating Statement of Expenses - 2026 50
Consolidating Statement of Expenses - 2025 51

Independent Auditor's Report

Board of Directors
Helping Up Mission, Inc. and Affiliates
Baltimore, Maryland

Opinion

We have audited the accompanying consolidated financial statements of Helping Up Mission, Inc. and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, 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, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Helping Up Mission, Inc. and Affiliates as of June 30, 2026 and 2025, and the results of the changes in their consolidated net assets and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of House of Freedom Support Corporation, an affiliate, which statements reflect total assets of $43,530,976 and $44,432,477, as of June 30, 2026 and 2025, respectively, and total support and revenue of $827,387 for each of the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for House of Freedom Support Corporation, is based solely on the report 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 Helping Up Mission, Inc. 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 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.

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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 Helping Up Mission, Inc. 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 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 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 Helping Up Mission, Inc. 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 Helping Up Mission, Inc. 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our reports were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statements of Financial Position, Consolidating Statements of Activities and Consolidating Statements of Expenses shown on pages 44 - 51 are presented for the purpose of additional analysis of the consolidated financial statements and they 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. This information has been subjected to the auditing procedures applied in the audit 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 Consolidating Statements of Financial Position, Consolidating Statements of Activities and Consolidating Statements of Expenses, which insofar as it relates to House of Freedom Support Corporation, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Fitzpatrick, Leary, Szymko, LLC

Lutherville, MD
October 6, 2026

Helping Up Mission, Inc. and Affiliates

Consolidated Statements of Financial Position

June 30,	2026	2025
Assets		
Current Assets:		
Cash and cash equivalents	$ 4,505,440	$ 2,253,252
Accounts receivable, net of allowance	342,983	262,681
Contributions and grants receivable	465,076	129,485
Investments	14,549,242	13,849,893
Capital campaign pledges receivable	14,409	16,901
Operational pledges receivable	401,577	604,687
Prepaid expenses	83,994	73,788
Total current assets	20,362,721	17,190,687
Property and Equipment:		
Buildings and improvements	60,895,843	60,349,430
Furniture and equipment	7,086,969	6,999,543
Vehicles	833,739	539,681
Total	68,816,551	67,888,654
Less accumulated depreciation	15,725,278	13,249,991
	53,091,273	54,638,663
Land	11,142,986	11,142,986
Construction in progress	684,752	81,438
Net property and equipment	64,919,011	65,863,087
Other Assets:		
Restricted cash - women's program	3,908,701	86,320
Restricted cash - endowment	532,175	-
Restricted investments for women's program	-	5,000,470
Fee reserves	61,762	143,857
Capital campaign pledges receivable - noncurrent	4,614	9,436
Operational pledges receivable - noncurrent	-	332,889
Right-of-use asset, operating lease, net	1,205,955	1,421,569
Other receivables and deposits	36,920	2,800
Note receivable	16,325,500	16,325,500
Total other assets	22,075,627	23,322,841
Total Assets	$ 107,357,359	$ 106,376,615

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

Helping Up Mission, Inc. and Affiliates

Consolidated Statements of Financial Position

June 30,	2026	2025
Liabilities and Net Assets		
Current Liabilities:		
Current maturities of loans payable	$ 144,369	$ 137,930
Current maturities of annuities payable	4,132	3,837
Accounts payable	642,326	435,796
Accrued expenses	573,215	686,047
Refundable donor advance	195,459	-
Current maturities of lease liabilities	223,598	209,948
Total current liabilities	1,783,099	1,473,558
Long-Term Liabilities:		
Loans payable, net of current maturities	24,145,467	24,290,267
Annuities payable, net of current maturities	25,999	30,131
Lease liabilities, net of current maturities	1,090,152	1,313,750
Total long-term liabilities	25,261,618	25,634,148
Total liabilities	27,044,717	27,107,706
Net Assets:		
Without donor restrictions (Note 14)	73,163,516	72,327,408
With donor restrictions (Note 15)	7,149,126	6,941,501
Total net assets	80,312,642	79,268,909
Total Liabilities and Net Assets	$ 107,357,359	$ 106,376,615

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

Helping Up Mission, Inc. and Affiliates

Consolidated Statements of Activities

For the years ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Support:						
Contributions and gifts	$ 9,632,582	$ 4,732,416	$ 14,364,998	$ 7,694,303	$ 2,792,186	$ 10,486,489
In-kind donations (Note 17)	6,294,697	-	6,294,697	5,042,256	-	5,042,256
Operational pledges	-	133,674	133,674	-	1,103,453	1,103,453
Net assets released from restrictions	4,670,640	(4,670,640)	-	4,610,783	(4,610,783)	-
Total support	20,597,919	195,450	20,793,369	17,347,342	(715,144)	16,632,198
Revenue:						
Program fees	1,866,282	-	1,866,282	1,789,993	-	1,789,993
Overnight, day and support services	2,380,850	-	2,380,850	1,884,561	-	1,884,561
Rental income	184,380	-	184,380	179,490	-	179,490
Other income	28,806	-	28,806	24,988	-	24,988
Total revenue	4,460,318	-	4,460,318	3,879,032	-	3,879,032
Total support and revenue	25,058,237	195,450	25,253,687	21,226,374	(715,144)	20,511,230
Functional Expenses:						
Program services	21,128,009	-	21,128,009	18,619,490	-	18,619,490
Administrative and general	1,289,845	-	1,289,845	1,158,778	-	1,158,778
Fundraising	3,493,074	-	3,493,074	3,378,898	-	3,378,898
Total functional expenses	25,910,928	-	25,910,928	23,157,166	-	23,157,166
(Decrease) increase from operations	(852,691)	195,450	(657,241)	(1,930,792)	(715,144)	(2,645,936)
Other Changes:						
Investment income	1,703,799	12,175	1,715,974	1,655,890	-	1,655,890
Uncollectible pledges and grants	(15,000)	-	(15,000)	(20,000)	-	(20,000)
Change in value of annuities	-	-	-	(27,804)	-	(27,804)
Loss on disposal of fixed assets	-	-	-	(20,813)	-	(20,813)
Total other changes	1,688,799	12,175	1,700,974	1,587,273	-	1,587,273
Increase (decrease) in net assets	836,108	207,625	1,043,733	(343,519)	(715,144)	(1,058,663)
Net assets - beginning of year	72,327,408	6,941,501	79,268,909	72,670,927	7,656,645	80,327,572
Net assets - end of year	$ 73,163,516	$ 7,149,126	$ 80,312,642	$ 72,327,408	$ 6,941,501	$ 79,268,909

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

Helping Up Mission, Inc. and Affiliates

Consolidated Statements of Functional Expenses

For the year ended June 30, 2026 (with comparative totals for 2025)

	Program Services	Administrative and General	Fundraising	Total 2026	Total 2025
Annuity interest	$ -	$ 2,513	$ -	$ 2,513	$ 428
Bank fees	1,762	65,585	57	67,404	71,843
Camps	-	-	-	-	32,435
Conference, seminars and meetings	36,046	59,733	6,999	102,778	69,671
Contribution to CityGate	155,274	-	-	155,274	-
Cultivation and acquisition	-	1,068	2,182,405	2,183,473	1,948,482
Depreciation	2,454,855	16,353	16,353	2,487,561	2,493,170
Kitchen	1,218,638	1,857	131	1,220,626	1,167,226
Housekeeping	172,420	-	-	172,420	128,846
Insurance	166,624	70,747	-	237,371	236,753
Interest	383,042	-	-	383,042	388,637
Memberships and subscriptions	8,575	25,448	1,872	35,895	41,644
Newsletter expenses	149,290	-	-	149,290	151,867
Printing, postage and shipping	23,536	5,472	5,496	34,504	29,841
Professional and contractual services	346,536	132,889	2,555	481,980	462,118
Public awareness	-	-	170,207	170,207	314,830
Leasing costs	250,785	3,408	24,557	278,750	275,485
Repairs and maintenance - building	503,503	634	-	504,137	402,864
Residents' assistance	612,150	-	100	612,250	530,071
Salaries and related expenses	6,935,016	824,073	899,786	8,658,875	7,918,884
Software licensing	8,171	13,478	130,765	152,414	126,400
Special events	934	-	11,973	12,907	972
Supplies	167,876	23,656	667	192,199	120,543
Telephone and communication	51,851	6,437	7,503	65,791	58,514
Travel	155,879	13,153	8,307	177,339	132,482
Utilities	971,764	23,341	23,341	1,018,446	914,152
Vehicles	95,705	-	-	95,705	96,752
Subtotal	14,870,232	1,289,845	3,493,074	19,653,151	18,114,910
Non-cash distributions:					
Donated food distribution	1,700,853	-	-	1,700,853	1,528,794
Donated merchandise distribution	1,640,415	-	-	1,640,415	1,163,513
Donated professional services distribution	2,576,624	-	-	2,576,624	2,349,949
Donated rent distribution	339,885	-	-	339,885	-
Subtotal - Non-cash distributions	6,257,777	-	-	6,257,777	5,042,256
Total functional expenses	$ 21,128,009	$ 1,289,845	$ 3,493,074	$ 25,910,928	$23,157,166

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

Helping Up Mission, Inc. and Affiliates

Consolidated Statements of Functional Expenses

For the year ended June 30, 2025

	Program Services	Administrative and General	Fundraising	Total 2025
Annuity interest	$ -	$ 428	$ -	$ 428
Bank fees	766	71,002	75	71,843
Camps	32,435	-	-	32,435
Conference, seminars and meetings	38,773	24,449	6,449	69,671
Cultivation and acquisition	4,575	762	1,943,145	1,948,482
Depreciation	2,462,456	15,357	15,357	2,493,170
Kitchen	1,166,824	402	-	1,167,226
Housekeeping	128,746	100	-	128,846
Insurance	166,234	70,519	-	236,753
Interest	388,637	-	-	388,637
Memberships and subscriptions	9,808	29,553	2,283	41,644
Newsletter expenses	151,867	-	-	151,867
Printing, postage and shipping	19,155	6,567	4,119	29,841
Professional and contractual services	332,302	127,318	2,498	462,118
Public awareness	855	-	313,975	314,830
Leasing costs	130,492	11,395	133,598	275,485
Repairs and maintenance - building	402,864	-	-	402,864
Residents' assistance	530,071	-	-	530,071
Salaries and related expenses	6,277,423	724,363	917,098	7,918,884
Software licensing	126,400	-	-	126,400
Special events	-	-	972	972
Supplies	91,708	27,088	1,747	120,543
Telephone and communication	42,796	7,525	8,193	58,514
Travel and entertainment	102,893	21,075	8,514	132,482
Utilities	872,402	20,875	20,875	914,152
Vehicles	96,752	-	-	96,752
Subtotal	13,577,234	1,158,778	3,378,898	18,114,910
Non-cash distributions:				
Donated food distribution	1,528,794	-	-	1,528,794
Donated merchandise distribution	1,163,513	-	-	1,163,513
Donated professional services distribution	2,349,949	-	-	2,349,949
Subtotal - Non-cash distributions	5,042,256	-	-	5,042,256
Total functional expenses	$ 18,619,490	$ 1,158,778	$ 3,378,898	$ 23,157,166

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

Helping Up Mission, Inc. and Affiliates

Consolidated Statements of Cash Flows

For the years ended June 30,	2026	2025
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 1,043,733	$ (1,058,663)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Change in discount on pledges receivable	(36,320)	40,081
Change in value of annuities	-	27,804
Depreciation	2,487,561	2,493,170
Donated securities and other assets	(1,099,790)	(202,542)
Loss on disposal of property and equipment	-	20,813
Realized gain on sale of investments	(83,996)	(230,699)
Uncollectible pledges and grants	15,000	20,000
Unrealized gain on investments	(130,115)	(18,373)
Change in right-of-use assets and lease liabilities, operating leases, net	5,666	15,712
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	(80,302)	(130,501)
Contributions and grants receivable	(335,591)	446,410
Operational pledges receivable	556,633	(836,389)
Prepaid expenses	(10,206)	(29,177)
(Decrease) increase in:		
Accounts payable	206,530	(131,198)
Accrued expenses	(112,832)	255,037
Refundable advance	195,459	(161,775)
Net cash provided by operating activities	2,621,430	519,710
Cash flows from investing activities:		
Purchase of investments	(3,066,050)	(7,441,914)
Proceeds from sale of investments	8,646,952	8,282,556
Purchase of property, equipment and construction in progress	(1,543,485)	(1,847,522)
Net cash provided by (used in) investing activities	4,037,417	(1,006,880)
Cash flows from financing activities:		
Payments received on capital campaign pledges	8,000	87,000
Principal repayments on loans payable	(138,361)	(132,770)
Principal repayments on annuities payable	(3,837)	(5,922)
Net cash used in financing activities	(134,198)	(51,692)
Net increase (decrease) in cash, cash equivalents and restricted cash	6,524,649	(538,862)
Cash, cash equivalents and restricted cash, beginning of year	2,483,429	3,022,291
Cash, cash equivalents and restricted cash, end of year	$ 9,008,078	$ 2,483,429

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

Notes to Consolidated Financial Statements

For the years ended June 30, 2026 and 2025

1. Nature of Operations

Helping Up Mission, Inc. (HUM) is a non-profit organization whose purpose is to transform the lives of and restore hope to those suffering from addiction and poverty by harnessing the power of faith, science and community. The Organization operates primarily on funds received from the general public and program fees.

House of Freedom, Inc. (HOF) is a non-profit organization whose purpose is to facilitate the work of Helping Up Mission, Inc. by providing transitional housing, supportive services, and other assistance to those who do not have permanent housing and are victims of substance abuse or the ill-effects of society in general in order to prepare them to become responsible and useful members of the community and society. The Organization operates primarily on funds received from the general public and program fees.

House of Freedom Support Corporation (HOFSC) is a non-profit organization formed on October 22, 2019 to construct a property in the City of Baltimore as a community facility serving homeless and low-income women and children. HOFSC is a Qualified Active Low-Income Community Business in accordance with the terms under the New Markets Tax Credit ("NMTC") program pursuant to Section 45D of the Internal Revenue Code. The Organization is required to comply with the various rules and regulations of the NMTC program and failure to comply with these rules or other requirements could result in recapture of NMTCs already taken by M&T Bank or Chase Bank. HOFSC obtained NMTC incentivized financing from two Community Development Entities to rehabilitate, improve and lease a building to HUM (see Note 11).

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of Helping Up Mission, Inc. and Affiliates include the accounts of HUM, HOF and HOFSC, hereinafter collectively referred to as “the Organization”. HUM and HOF share the same Board of Directors, with HOF having an additional three independent board members during the year ended June 30, 2026 and 2025. HOFSC shares three of its five board members with HUM, with the other two board members being independent outside members appointed by HUM. All material inter-organization transactions and balances have been eliminated in consolidation.

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). As such, revenue is recorded when earned and expenses are recorded when an obligation is incurred.

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less to be a cash equivalent.

Accounts Receivable, Credit Policies and Allowance for Credit Losses

Accounts receivable are uncollateralized obligations due for program fees related to overnight boarding and transportation services provided to various partner organizations and other amounts billed for services provided to individuals under various programs. Payment is required within 30 days from the invoice date. Follow-up correspondence is made if unpaid accounts receivable go beyond 60 days. Statements for unpaid balances are not generated and delinquency fees are not assessed. Payments of accounts receivable are applied to the specific invoices identified on the remittance advice or, if unspecified, are applied to the oldest unpaid invoices.

The allowance for credit losses is management's best estimate of the current expected credit losses from accounts receivable. Losses are estimated collectively for groups of receivables with similar risk characteristics. The allowance for credit losses considers relevant information about past events, current conditions, reasonable and supportable forecasts that affect the collectability of financial assets, portfolio credit quality, and general economic conditions, resulting in recognition of lifetime expected credit losses at initial recognition of the related asset. General economic conditions are forecasted using economic variables which will create volatility and those variables change over time. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for credit losses based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses and a credit to accounts receivable. Accounts receivable are deemed fully collectible at June 30, 2026 and 2025, and therefore, the Organization has not established an allowance for credit losses. There was no credit loss expense related to accounts receivable for the years ended June 30, 2026 and 2025.

Contributions and Grants Receivable

Contributions and grants receivable represents unconditional promises to give to be collected within the next year and are recorded in the year the promise is made. Contributions and grants receivable are considered fully collectible at June 30, 2026 and 2025 and accordingly, no allowance for credit losses is required. Bad debt expense related to contributions and grants receivable totaled $-0- for both years ended June 30, 2026 and 2025.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment and Depreciation

Property and equipment are stated at cost if purchased, or fair market value if obtained through donation. Historically, the Organization capitalized expenditures greater than or equal to $2,500 that qualify as property and equipment. The Organization changed this policy, effective May 15, 2025, to capitalize expenditures greater than or equal to $5,000 that qualify as property and equipment. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	7 - 40 years
Furniture and equipment	3 - 15 years
Vehicles	3 - 10 years

Depreciation expense was $2,487,561 and $2,493,170 for the years ended June 30, 2026 and 2025, respectively.

Impairment of Property

The Organization reviews its land, building and improvements for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than their carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss was recognized during the years ended June 30, 2026 and 2025.

Uniform Prudent Management of Institutional Funds Act

The Organization follows the accounting guidance entitled, *"Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds"* (UPMIFA). UPMIFA provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006. It also requires certain disclosures about an organization's endowment funds for both donor restricted and board-designated endowment funds (See Note 6). UPMIFA requires guidelines for expenditures of donor restricted endowment funds and also provides that assets in an endowment fund are donor-restricted net assets until appropriated for expenditure by the Organization.

2. Summary of Significant Accounting Policies (continued)

Investments

Investment securities are carried at fair value based on quoted market prices. The change in net unrealized appreciation (depreciation) of investments for the year is reflected in the Statements of Activities in "investment income." Realized gains and losses on sales of investments are computed on an average cost basis and are recorded on the trade date of the transaction and are also included in "investment income." Investment expenses, such as custodial, commission, and investment advisory fees, are netted against investment income in the Statements of Activities.

Financial Risk

The Organization invests in a portfolio that contains mutual funds and treasury bills. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Fair Value Measurements

The Organization has characterized its assets and liabilities based on the priority of inputs used to measure fair value, based on a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets and liabilities fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities recorded in the financial statements are categorized based on the inputs to valuation techniques as follows:

- Level 1 assets and liabilities use quoted prices in active markets for identical assets or liabilities as of the measurement date.

- Level 2 assets and liabilities use observable inputs, other than quoted market prices, that are either directly or indirectly observable in the marketplace for identical or similar assets and liabilities.

- Level 3 assets and liabilities use unobservable inputs that are supported by little or no market activity.

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements (continued)

The Organization's assets and liabilities that are subject to fair value measurements are categorized in one of the three levels above (see Note 8). Fair values are based on the inputs available at the measurement dates, and may rely on certain assumptions that may affect the valuation of fair value for certain assets and liabilities.

The carrying amounts of current receivables and payables approximate fair value due to the short-term nature of these assets.

Refundable Donor Advance

The Organization records a refundable donor advance when assets are received (i.e. cash received) in advance of the satisfaction of conditions under grants that are determined to be conditional contributions.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets without donor restrictions are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes (see Note 14).

Net assets with donor restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports contributions and grants as revenue with donor restrictions if they are received with donor stipulations that limit the use of the assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. The Organization had net assets with donor restrictions totaling $7,149,126 and $6,941,501 at June 30, 2026 and 2025, respectively (see Note 15).

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to spend a portion of the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Organization has net assets with donor restrictions that are perpetual in nature totaling $520,000 and $-0- at June 30, 2026 and 2025, respectively, included in net assets with donor restrictions.

2. **Summary of Significant Accounting Policies** (continued)

Donated Materials and Services

In-kind donations consist of donated food, supplies, merchandise and professional services. These donations are recorded at their estimated fair value at the date of receipt (see Note 17).

Advertising

The Organization expenses advertising costs the first time the advertising takes place. The amounts charged to advertising expense totaled $168,963 and $304,642 for the years ended June 30, 2026 and 2025, respectively. Advertising expense is included in "public awareness" in the Consolidated Statements of Functional Expenses.

Income Taxes

The Organization accounts for income tax provisions in accordance with Financial Accounting Standards Board Accounting Standards Concept Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which creates a single model to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The Organization believes that its income tax filing positions and deductions will be sustained upon examination and, accordingly, have not recorded any reserves, or related accruals for interest and penalties, at June 30, 2026 and 2025 for uncertain income tax positions. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Organization has adopted a policy under which, if required to be recognized in the future, will classify interest related to the underpayment of income taxes as a component of interest expense, and will classify any related penalties in administrative and general expenses in the Consolidated Statements of Functional Expenses and Consolidated Statements of Activities. The Organization believes they are subject to income tax examinations by tax authorities for the current year and the last three years.

HUM, HOF and HOFSC are exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in these financial statements.

Functional Allocation of Expenses

The Consolidated Statements of Functional Expenses present expenses by function and natural classification. The functional classification of expenses includes the following:

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses (continued)

Program activities
Program activities are direct and indirect costs related to providing the Organization's programs and services. These expenses relate directly to the purpose for which the Organization exists. Programs and services include providing transitional housing, supportive services and other assistance to those who are struggling with addiction or those who do not have permanent housing.

General and Administrative
The supporting service category includes general and administrative costs necessary to secure proper administrative function of the governing board, maintain an adequate working environment, and manage the financial responsibilities of the Organization.

Fundraising
The supporting service category also includes expenditures which provide the structure necessary to encourage and secure outside financial support for the Organization's operations and special projects.

Expenses are charged to each functional classification based on direct expenditures incurred. Indirect expenses are allocated to the various programs and supporting services based on an allocation formula and in accordance with various grant agreements. Certain costs have been allocated between program and supporting services based on the proportion of program-related salaries and benefits to total salaries and benefits.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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. Actual results could differ from those estimates.

Reclassifications

Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications result in no change to previously reported net assets.

3. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Statements of Financial Position that sum to the total of the same such amounts on the Consolidated Statements of Cash Flows at June 30:

	2026	2025
Cash and cash equivalents	$ 4,505,440	$ 2,253,252
Restricted cash - women's program	3,908,701	86,320
Restricted cash - endowment	532,175	-
Fee reserves	61,762	143,857
Cash, cash equivalents, and restricted cash shown on in the Consolidated Statements of Cash Flows	$ 9,008,078	$ 2,483,429

Restricted cash – women's program

Restricted cash -women's program represents cash received with donor-imposed restrictions that limits the use of the remaining balance to support a women's and children's program.

Restricted cash – endowment

Restricted cash – endowment includes a gift in perpetuity totaling $520,000 and $-0- as of June 30, 2026 and 2025, respectively, for which the investment earnings totaling $12,175 and $-0- for the years ended June 30, 2026 and 2025 can be used for the women's and children's program, subject to the Organization's endowment spending policy (See Note 6).

Fee Reserves

In accordance with loan agreements, HOFSC was required to establish a fee reserve account in connection with the first NMTC transaction closing. The second NMTC transaction did not require a fee reserve account. Funds from the fee reserve account are to be used to pay ongoing compliance fees. The balance in the fee reserve account totaled $61,762 and $143,857 at June 30, 2026 and 2025, respectively.

4. Capital Campaign Pledges Receivable

The Organization conducted a capital campaign to raise funds to support the construction of a building used in operations to support a women's and children's program. The capital campaign pledges are payable over a one to five-year period. The total amount expected to be received at June 30, 2026 and 2025 was recorded at the present value of the expected future cash flows discounted at the Organization's incremental borrowing rate of 4.10% at June 30, 2026 and 2025.

4. Capital Campaign Pledges Receivable (continued)

Capital campaign pledges receivable consist of the following at June 30:

	2026	2025
Capital campaign pledges receivable	$ 20,000	$ 28,000
Less: unamortized discount	(977)	(1,663)
Total	$ 19,023	$ 26,337

The total of capital campaign pledges receivable is reflected in the Consolidated Statements of Financial Position as follows at June 30:

	2026	2025
Capital campaign pledges receivables - current	$ 14,409	$ 16,901
Capital campaign pledges receivables - noncurrent	4,614	9,436
	$ 19,023	$ 26,337
Amounts due in:		
Less than one year	$ 15,000	$ 18,000
One to five years	5,000	10,000
Total	$ 20,000	$ 28,000

Management evaluates the collectability of capital campaign pledges receivable based on payment patterns and continued correspondence with donors. During the years ended June 30, 2026 and 2025, there were $-0- and $20,000 capital campaign pledges considered uncollectible by management, respectively. This amount is included under other changes as "uncollectible pledges and grants" in the accompanying Consolidated Statements of Activities for the years ended June 30, 2026 and 2025, respectively.

5. Operational Pledges Receivable

From time to time, the Organization receives pledges to support various operational activities. The operational pledges are payable over a one to five-year period. The total amount expected to be received at June 30, 2026 and 2025 was recorded at the present value of the expected future cash flows discounted at the Organization's incremental borrowing rate, which was 4.10% at June 30, 2026 and 2025.

5. Operational Pledges Receivable (continued)

Operational pledges receivable consists of the following at June 30:

	2026	2025
Operational pledges receivable	$ 418,042	$ 989,676
Less: unamortized discount	(16,465)	(52,100)
Total	$ 401,577	$ 937,576

The total of operational pledges receivable is reflected in the Consolidated Statements of Financial Position as follows at June 30:

	2026	2025
Operational pledges receivables - current	$ 401,577	$ 604,687
Operational pledges receivables - noncurrent	-	332,889
	$ 401,577	$ 937,576
Amounts due in:		
Less than one year	$ 418,042	$ 642,878
One to five years	-	346,798
Total	$ 418,042	$ 989,676

Management evaluates the collectability of operational pledges receivable based on payment patterns and continued correspondence with donors. During the years ended June 30, 2026 and 2025, there were $15,000 and $-0- operational pledges considered uncollectible by management, respectively. This amount is included under other changes as "uncollectible pledges and grants" in the accompanying Consolidated Statements of Activities for the years ended June 30, 2026 and 2025, respectively.

6. Endowment Fund

The Organization has one donor restricted endowment fund established for a specific purpose. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift, plus market appreciation, is to be held and invested indefinitely, and other income from the fund is to be expended based on the specific purpose established by the donor. Net assets associated with the endowment fund are classified and being reported by the Organization based on the existence or absence of donor-imposed restrictions in accordance with generally accepted accounting principles.

6. Endowment Fund (continued)

Return objectives and risk parameters

The Board of Directors of the Organization has established an investment policy to clearly articulate the views on investment objectives and risk tolerance for the endowment fund. The objectives of the endowment fund have been established after a comprehensive review of current and projected financial requirements, market returns, risks and other special requirements. The long-term objective of the Fund is to maintain the purchasing power of the current assets and all future contributions, to maintain an appropriate asset allocation policy that is comparable with the spending policy, while having the potential to produce positive real returns, and to achieve a target annual rate of return of 7% over a ten year period.

Strategies employed for achieving objectives

To satisfy long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation which includes high yield cash equivalents, fixed income funds, and marketable securities including publicly traded mutual funds and ETFs, to achieve its long-term return objectives within prudent risk constraints.

Underwater endowment funds

The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization complies with UPMIFA, and 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. The Organization had no underwater endowment funds at June 30, 2026 and 2025.

Spending policy

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the donor-restricted endowment fund, (3) general economic 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 the Organization, and (7) the Organization's investment policies. The Organization has a policy of appropriating for distribution each year four percent of its endowment fund's average fair value over the preceding three-year period. In establishing this policy, the Organization considered the long-term expected return on its endowment funds. Final determination of annual spending is at the discretion of the Board and the factors noted above.

6. Endowment Fund (continued)

The following table represents the composition of the Organization's endowment net assets by type at June 30:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	$ -	$ 532,175	$ 532,175

The change in the endowment net assets is as follows for the year ended June 30:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ -	$ -
Contributions	-	520,000	520,000
Investment return	-	12,175	12,175
Appropriation of endowment for expenditure	-	-	-
Endowment net assets, end of year	$ -	$ 532,175	$ 532,175

7. Investments

Investments are recorded at fair value and consist of the following at June 30:

2026	Cost	Net Unrealized Appreciation	Fair Value
Mutual Funds	$13,665,356	$ 883,886	$ 14,549,242
Total investments	$13,665,356	$ 883,886	$ 14,549,242

2025	Cost	Net Unrealized Appreciation (Depreciation)	Fair Value
Mutual Funds	$12,498,311	$ 783,608	$ 13,281,919
Treasury Bills	5,598,281	(29,837)	5,568,444
Total investments	$18,096,592	$ 753,771	$ 18,850,363

Investments are broken down as follows in the Consolidated Statements of Financial Position at June 30:

	2026	2025
Unrestricted	$14,549,242	$ 13,849,893
Restricted for women's and children's program	-	5,000,470
Total investments	$14,549,242	$ 18,850,363

The following schedule summarizes investment income and its classification in the Consolidated Statements of Activities for the years ended June 30:

	Without Donor Restrictions	With Donor Restrictions	Total
2026			
Interest and dividends	$ 1,489,688	$ 12,175	$ 1,501,863
Gain on sale of investments	83,996	-	83,996
Change in unrealized appreciation on investments	130,115	-	130,115
Total investment income	$ 1,703,799	$ 12,175	$ 1,715,974

7. Investments (continued)

	Without Donor Restrictions	With Donor Restrictions	Total
2025			
Interest and dividends	$ 1,406,818	$ -	$ 1,406,818
Gain on sale of investments	230,699	-	230,699
Change in unrealized appreciation on investments	18,373	-	18,373
Total investment income	$ 1,655,890	$ -	$ 1,655,890

Investment fees are netted with interest and dividends for the years ended June 30, 2026 and 2025.

An investment may be considered to be impaired if its cost basis exceeds its fair value thus resulting in unrealized depreciation. Investments are reported at their fair market value; thus, any impairment losses have already been recognized through unrealized gains or losses in the Consolidated Statements of Activities. Management considers any investment portfolio losses to be temporary.

Investments included in the portfolio that have been in a continuous loss position are as follows at June 30, 2026:

	Less than 12 months	
	Fair Value	Unrealized Losses
Mutual Funds	$ -	$ -

	More than 12 months	
	Fair Value	Unrealized Losses
Mutual Funds	$ 5,813,025	$ (335,922)

8. Fair Value Measurements

Fair values of assets measured on a recurring basis at June 30, 2026 and 2025 are as follows:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Quoted Prices in Inactive Markets (Level 2)	Significant Unobservable Inputs (Level 3)
2026				
Mutual Funds	$ 14,549,242	$ 14,549,242	$ -	$ -
Capital campaign pledges receivable	$ 19,023	$ -	$ -	$ 19,023
Operational pledges receivable	$ 401,577	$ -	$ -	$ 401,577

	Fair Value	Quoted Prices in Active Markets (Level 1)	Quoted Prices in Inactive Markets (Level 2)	Significant Unobservable Inputs (Level 3)
2025				
Mutual Funds	$ 13,281,919	$ 13,281,919	$ -	$ -
Treasury Bills	5,568,444	-	5,568,444	-
Total investments	$ 18,850,363	$ 13,281,919	$ 5,568,444	$ -
Capital campaign pledges receivable	$ 26,337	$ -	$ -	$ 26,337
Operational pledges receivable	$ 937,576	$ -	$ -	$ 937,576

Capital campaign and operational pledges receivable are recorded at the present value of the expected future cash flows discounted 4.10% for the years ended June 30, 2026 and 2025. The discount rate is based on the Organization's incremental borrowing rate at June 30, 2026 and 2025.

The following table presents information about the change in capital campaign and operational pledges receivable (level 3 assets), which are measured at fair value on a recurring basis using significant unobservable inputs:

8. Fair Value Measurements (continued)

	Capital Campaign Pledges	Operational Pledges
Balance at June 30, 2024	$ 128,275	$ 146,330
New pledges	-	1,148,596
Receipts from pledges	(87,000)	(312,207)
Change in discount on pledges	5,062	(45,143)
Uncollectible pledges	(20,000)	-
Balance at June 30, 2025	$ 26,337	$ 937,576
New pledges	-	98,039
Receipts from pledges	(8,000)	(654,672)
Change in discount on pledges	686	35,634
Uncollectible pledges	-	(15,000)
Balance at June 30, 2026	$ 19,023	$ 401,577

Estimated fair value amounts have been determined using available market information and the valuation methodologies described above. However, considerable judgment is required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented herein may not be indicative of the amounts the Organization could realize in a current market. The use of different market assumptions or valuation methodologies may have a material effect on the estimated fair value amounts.

9. Notes Receivable

During the year ended June 30, 2020, HUM loaned money totaling $8,972,500 and issued a promissory note to NMTC Fund House of Freedom, LLC (M&T Bank Fund), an unrelated third party organized as part of the NMTC program. The loan requires payments of interest only at 1.220% annually, through July 1, 2027. Beginning July 1, 2027, payments totaling $117,576, including interest at 1.220% will be due quarterly through maturity in March 2049. HUM has a priority security interest in the borrower's entire member's equity interest in CAHEC Sub-CDE XIV, LLC, a separate entity organized as part of the NMTC program. The note receivable balance totaled $8,972,500 at June 30, 2026 and 2025. Interest income related to this note receivable totaled $109,465 for the years ended June 30, 2026 and 2025. Effective December 31, 2026 through June 30, 2027, if certain conditions are met, HUM can purchase from M&T Bank or M&T Bank can sell the interest to HUM in NMTC Fund House of Freedom, LLC for the greater of any amounts due and owed from any indemnitor to M&T Bank under the QALICB NMTC Indemnity for $1,000. If this were to occur, the note receivable due from NMTC Fund House of Freedom, LLC would be cancelled.

9. Notes Receivable (continued)

During the year ended June 30, 2022, HOF loaned money totaling $7,353,000 and issued two promissory notes to Chase NMTC HUM Investment Fund, LLC, an unrelated third party organized as part of a second NMTC transaction. The loans require combined payments of interest only at 1.331% annually, through September 1, 2029. Beginning September 1, 2029, combined payments totaling $129,568, including interest at 1.331% will be due quarterly through maturity in March 2045. HOF has a priority security interest in the borrower's entire member's equity interest in Harbor Community Fund XXXI, LLC and Harbor Community Fund XXXII LLC, separate entities organized as part of the second NMTC transaction. The note receivable balance totaled $7,353,000 at June 30, 2026 and 2025. Interest income related to this note receivable totaled $97,868 for both years ended June 30, 2026 and 2025. Effective December 31, 2028 through August 31, 2029, if certain conditions are met, HOF and Chase Bank have a put/call option to purchase/dispose of its interest in the NMTC HUM Investment Fund, LLC for $1,000 if they so choose. If this were to occur, the note receivable from Chase NMTC Hum Investment Fund, LLC would be cancelled.

10. Line of Credit

During the year ended June 30, 2021, HUM entered into a line of credit agreement authorized up to $1,000,000 with Truist Bank, with interest computed based on the lender's prime rate less 1.1%, with a floor of 1.9%. The line of credit was collateralized by a security interest in certain investments of HUM and contained certain financial covenants. The line of credit was closed in February 2026. There was no balance outstanding on the line of credit as of June 30, 2025.

During the year ended June 30, 2026, HUM entered into a line of credit agreement authorized up to $1,000,000 with CFG Bank, with interest computed based on the lender's prime rate less 1%, with a floor of 5%. All outstanding principal and accrued interest is due on demand. The line of credit agreement requires the Organization maintain a minimum deposit with CFG Bank of no less than $250,000. The line of credit contains certain financial covenants which were met at June 30, 2026. There was no balance outstanding on the line of credit as of June 30, 2026.

11. Long-Term Debt

In December 2017, HUM entered into a loan agreement with a bank for $2,500,000. The loan required payments of interest only through the maturity date of December 12, 2022, with interest computed on the aggregate unpaid balance based on the LIBOR daily floating rate plus 1.5%. In July 2022, HUM refinanced this loan. The refinanced loan calls for monthly principal and interest payments of $18,689 through maturity in July 2027. The loan bears interest at a fixed rate of 4.10%. All unpaid principal and interest are due at maturity. The balance outstanding on the loan was $1,989,836 and $2,128,197 at June 30, 2026 and 2025, respectively. The loan is secured by property at 1017 E. Baltimore Street and $1,200,000 of marketable securities held

11. Long-Term Debt (continued)

with the bank are also pledged as collateral. The loan is guaranteed by HOF. The loan also contains certain financial covenants which were met as of June 30, 2026 and 2025, respectively.

In December 2019, HOFSC entered into two loan payables ("CAHEC Loan A" and "CAHEC Loan B") with CAHEC Sub-CDE XVI, LLC, a Community Development Entity, in the amounts of $8,972,500 and $3,527,500 respectively. Both loans mature on December 31, 2053, at which time all outstanding principal and any accrued interest shall be due. Each loan bears interest at a fixed rate of 1.00% per annum. The loans are secured by a deed of trust, as defined in the loan agreement, and HOFSC may not prepay the loans prior to December 30, 2026. Commencing on March 1, 2020, quarterly payments of interest only shall be due through and including June 1, 2027, for both loans. Commencing on September 1, 2027, CAHEC Loan A and CAHEC Loan B require quarterly payments of principal and interest in the amount of $96,462 and $37,924, respectively, through maturity.

In accordance with the loan agreement, HOFSC pays CAHEC Sub-CDE XVI, LLC an annual management fee in the amount of $62,500 and reimburses CAHEC Sub-CDE XVI, LLC for professional fees. For the years ended June 30, 2026 and 2025, $62,500, respectively, was incurred and paid and included in professional fees in the accompanying Consolidated Statements of Functional Expenses.

In December 2021, HOFSC entered into two loans payable ("HCF Note A" and "HCF Note B") with Harbor Community Fund XXXI LLC, a Community Development Entity, in the amounts of $4,779,450 and $1,590,550, respectively. Both loans mature on December 31, 2053, at which time all outstanding principal and any accrued interest shall be due. Each loan bears interest at a fixed rate of 1.683% per annum, compounding quarterly. The loans are secured by a deed of trust, as defined in the credit agreement, and HOFSC may not prepay the loans prior to December 30, 2028. Commencing on March 1, 2022, quarterly payments of interest only shall be due at the Pay Rate, defined as 1.00% per annum, through and including June 1, 2029 for both loans. Commencing on September 1, 2029, HCF Loan A and HCF Loan B require quarterly payments of principal and interest in the amount of $62,746 and $20,881, respectively, through maturity.

In December 2021, HUM entered into two loan payables ("Harbor Loan A" and "Harbor Loan B") with Harbor Community Fund XXXII, LLC, a Community Development Entity, in the amounts of $2,573,550 and $856,450 respectively. Both loans mature on December 31, 2053, at which time all outstanding principal and any accrued interest shall be due. Each loan bears interest at a fixed rate of 1.857% per annum, compounding quarterly. The loans are secured by property and equipment, as defined in the credit agreement, and HUM may not prepay the loans prior to December 30, 2028. Commencing on March 1, 2022, quarterly payments of interest only shall be due at the Pay Rate, defined at 1.00% per annum through and including June 1, 2029, for both loans. Commencing on September 1, 2029, Harbor Loan A and Harbor Loan B require quarterly payments of principal and interest in the amount of $34,786 and $11,577, respectively, through maturity.

11. Long-Term Debt (continued)

Future minimum principal payments for long-term debt as follows:

Years Ending June 30,	Amount
2027	$ 144,369
2028	2,259,558
2029	418,247
2030	645,521
2031	672,042
Thereafter	20,150,099
Total	$ 24,289,836

Consolidated interest expense incurred on all of the long-term debt above and lines of credit was $383,042 and $388,637 for the years ended June 30, 2026 and 2025, respectively on this debt.

12. Annuities Payable

HUM currently has three agreements to provide periodic payments to one individual during the remainder of her life in return for a charitable gift to HUM. The aggregate annual estimated payments on the annuity obligations at June 30, 2026 and 2025 are $30,131 and $33,968, respectively, based on IRS life expectancy tables. HUM reviews the life expectancy tables published by the IRS annually and records any material changes in the projected liability as a charge to the change in value of the annuity payable. At June 30, 2025, a change in value of the annuities totaling $27,804 was included in the Consolidated Statement of Activities, based on current IRS life expectancy tables. A portion of the gift represents an obligation by HUM to make the annual payments (recorded at present value based on the donor's life expectancy and market interest rates) and the remainder represents a contribution. At June 30, 2026 and 2025, HUM has sufficient reserves to fund these obligations.

Interest expense related to annuities payable totaled $2,513 and $428 for the years ended June 30, 2026 and 2025, respectively. Future estimated minimum principal payments for the remaining annuities are as follows:

12. Annuities Payable (continued)

Years Ending June 30,	Amount
2027	$ 4,132
2028	4,453
2029	4,798
2030	5,171
2031	5,572
Thereafter	6,005
Total	$ 30,131

13. Right-of-Use Assets and Lease Liabilities

The Organization has the following long-term leases as of June 30, 2026:

- HUM has an operating lease agreement for a nearby property to be used for a women's program at 601 E. Chase Street. This lease expires in October 2031. Base monthly rent under this lease agreement is $4,500 throughout the life of the lease. The lease agreement includes a reimbursement credit for capital improvements paid each month to HUM totaling $2,380 through October 2024.

- HUM has two operating leases to rent various office equipment. The first lease has a five-year term, expiring in November 2027, and provides for base monthly rentals of $1,797. The second lease has a five-year term, expiring in August 2029, and provides for base monthly rentals of $1,137.

- HUM had an operating lease agreement for a nearby delicatessen to be used as an additional kitchen facility at 1150 E. Lombard Street, which commenced as a long-term lease on September 1, 2024. This lease expires in August 2034. Base monthly rent under this lease agreement is $5,256, with escalation provisions throughout the lease term.

- HUM has operating lease agreements for three townhouses in Baltimore City for the “3/4 Housing Program”. The program provides for HUM to lease the townhouse from the landlord and in turn, offer it to program graduates who live independently. These leases each commenced as long-term leases on January 1, 2025. All three leases are for 60 months, expire in December 2029, and provide for combined base monthly rentals of $9,000 throughout the life of the lease.

- As discussed in Note 19, HUM leases a building at 1216 E. Baltimore Street from a related party under a long-term lease agreement. The rent expense and related right-of-use asset and lease liability are eliminated in consolidation.

13. Right-of-Use Assets and Lease Liabilities (continued)

The Organization follows guidance under *Topic 842*, *Leases*. As required under *Topic 842*, the consolidated financial statements include a right-of-use (ROU) asset and a corresponding lease liability for the present value of future lease payments for all long-term leases not eliminated in consolidation. As of June 30, 2026 and 2025, the ROU asset has a balance of $1,205,955 and $1,421,569, respectively, included as a noncurrent asset under other assets in the accompanying Statements of Financial Position. The corresponding lease liability, current portion and long-term portion totaled $223,598 and $1,090,152, respectively as of June 30, 2026 and $209,948 and $1,313,750, respectively as of June 30, 2025. According to the Organization's elected policy, the ROU asset and liability were calculated utilizing the risk-free discount rate at either 1) July 1, 2022 upon implementation of *Topic 842*, 2) or the start date of the lease, whichever is later. In addition, according to the Organization's elected policy, payments made for taxes and other operating costs as defined in lease agreements are not included in the ROU asset or lease liability calculation.

In addition to the long-term leases noted above, the Organization has several short-term leases. The Organization has elected to apply the practical expedient under *Topic 842* to exclude short-term leases with a lease term of twelve months or less from the ROU asset and lease liability calculation. The Organization has the following short-term leases:

- HUM had operating lease agreements for three townhouses in Baltimore City for the "3/4 Housing Program". The program provides for HUM to lease the townhouse from the landlord and in turn, offer it to program graduates who live independently. The leases were on a month-to-month renewal and required combined base monthly rentals of $9,755. The leases converted to long-term leases on January 1, 2025.

- HUM has an operating lease agreement for a nearby office building in Baltimore City for additional office space. The lease is on a month-to-month basis at base monthly rentals of $3,151. Rent was abated for the period September 1, 2024 to June 30, 2025 by the landlord.

- HUM had an operating lease agreement for a nearby delicatessen to be used as an additional kitchen facility. The lease was month-to-month with monthly rentals totaling $1,000. This lease converted to a long-term lease on September 1, 2024.

Additional information about the Organization's leasing activities for all leases not eliminated in consolidation is as follows:

	2026	2025
Leasing Costs (included in operating expenses):		
Operating lease costs	$ 270,332	$ 199,691
Short-term lease costs	5,469	68,492
Variable lease costs	2,949	7,302
Total leasing costs	$ 278,750	$ 275,485

13. Right-of-Use Assets and Lease Liabilities (continued)

	2026	2025
Other Information:		
Cash paid for amounts included in measuring operating lease liabilities:		
Operating cash flows from operating leases	$ 273,084	$ 239,979
Weighted-average remaining lease term (years)	4.47	5.47
Weighted-average discount rate	3.96%	3.96%

Future maturities of long-term operating lease liabilities are as follows:

For the years ended June 30,	Amount
2027	$ 269,923
2028	262,600
2029	258,872
2030	198,758
2031	147,741
Thereafter	343,905
Total undiscounted cash flows	1,481,799
Less: present value discount	(168,049)
Present value of lease liabilities	1,313,750
Less: current portion	(223,598)
Long-term lease liabilities	$ 1,090,152

14. Net Assets Without Donor Restrictions

Net assets without donor restrictions is comprised of undesignated and board designated amounts for the following purposes at June 30:

	2026	2025
Undesignated	$ 72,263,516	$ 71,427,408
Board designated for capital needs	900,000	900,000
Total net assets without donor restrictions	$ 73,163,516	$ 72,327,408

15. Net assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30:

Purpose	2026	2025
Acupuncture	$ 20,907	$ 13,704
Book study	43,052	11,916
Capital improvements	206,215	600,805
Christmas gifts for client's children	4,007	3,220
Cornerstone Telehealth	4,958	4,958
Education & workforce development	-	25,000
Health access	2,881	225,092
Hispanic spiritual recovery program	92,000	-
Library fund - men	8,989	11,314
Miscellaneous other	6,218	1,498
Mission leadership	24,558	208,619
Next Step	47,000	-
Program retreats	40,000	40,500
Recovery Park	1,918,121	-
Time restricted	19,212	54,479
Trail team	9,303	11,165
Warm Hand-Off Programs	199,067	498,584
Women's and children's program	3,970,463	5,230,647
Net assets with donor restrictions	$ 6,616,951	$ 6,941,501
Endowment net assets:		
Carole and Ronald Coleman Fund	532,175	-
Total net assets with donor restrictions	$ 7,149,126	$ 6,941,501

The Carole and Ronald Coleman Fund include gifts in perpetuity totaling $520,000 and $-0- as of June 30, 2026 and 2025, respectively, for which the investment earnings, excluding market appreciation, can be used for women’s and children’s program, subject to the Organization’s endowment spending policy.

16. Revenue Recognition

Revenue under ASU 2018-08 (Topic 958): Not-For-Profit Entities

The Organization recognizes nonreciprocal contributions and grants received and made at fair value on the earlier of the date of the receipt of cash or the date an unconditional promise to give is made. Contributions received and made are reported as either revenues without donor restrictions or revenue with donor restrictions. Contributions and grants that are restricted by the awarding agency or individual for certain purposes are recorded as revenue with donor restrictions. Contributions and grants with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and reclassified as net assets released from restrictions in the same year.

Contributions and grants may also be considered conditional contributions if both requirements to meet the definition of a condition under ASU 2018-08 are met (i.e. there is a barrier that must be overcome before the Organization is entitled to receive the funds and there is a right of return to the resource provider). Revenue under conditional contributions are recognized when the conditions are satisfied. The Organization has remaining award balances under conditional grants and contributions of $4,416,770 and $359,201 at June 30, 2026 and 2025, respectively. These award balances are not recognized as assets and will be recognized as revenue as projects progress and conditions are met.

Revenue under ASU No. 2014-09 (Topic 606): Revenue from Contracts with Customers

Contracts with Customers

The Organization identifies a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Revenue is recognized when obligations under the terms of the contract with the customer are satisfied; generally, this occurs with the transfer of control of the good or service to the customer. Revenue is measured as the amount of consideration the Organization expects to receive in exchange for transferring goods or providing services. If applicable, sales and other taxes collected concurrently with revenue-producing activities are excluded from revenue. The Organization does not incur incremental costs to obtain contracts or costs to fulfill contracts that meet the criteria for capitalization. In addition, the Organization does not have significant material payment terms, as payment is received shortly after the service is performed.

Performance Obligations and Transaction Price

Performance obligations are satisfied over time based on the criteria that the customer receives the benefit of the Organization's performance as the Organization performs the service. The following performance obligations are satisfied over time:

16. Revenue Recognition (continued)

Revenue under ASU No. 2014-09 (Topic 606): Revenue From Contracts with Customers (continued)

Overnight, day and support services - the Organization has contracts with various government and private vendors to provide overnight beds, and various day and support services to homeless men and women. Support services can include care coordination, employment coaching, and workforce development. The transaction price is typically an agreed upon fee per individual per service provided based on the number of days those services are provided.

Rental income – HUM provides facility space, equipment and administrative services to various vendors (see Note 20). In addition, HOFSC leases property to HUM under a long-term lease agreement (see Note 19). The transaction price under these lease agreements is an agreed upon monthly fee for access to these bundled services. Rental income from these leases is recognized as rents become due using the straight-line method under which contractual rent increases are recognized evenly over the lease term.

Contract Balances and Payment Terms

When the timing of the Organization's services is different from the timing of payments made, the Organization recognizes either a contract asset (performance precedes payment) or a contract liability (payment precedes performance). Services performed associated with the overnight, day and support services typically give rise to contract assets because services are billed monthly in arrears. The Organization has recorded contract assets referred to as "accounts receivable" totaling $342,983 and $262,681 as of June 30, 2026 and 2025, respectively on the Consolidated Statements of Financial Position. The Organization has recorded a contract liability referred to as a "refundable advance" related to overpayments associated with the Baltimore Opioid Restitution Fund program totaling $195,459 and $-0- at June 30, 2026 and 2025, respectively, on the Consolidated Statements of Financial Position.

16. Revenue Recognition (continued)

Revenue under ASU No. 2014-09 (Topic 606): Revenue From Contracts with Customers (continued)

Disaggregation of Revenue
The following table disaggregates contract revenue by type at June 30:

	2026	2025
JHH overnight services	$ 897,887	$ 979,902
Manatee County services	924,829	374,798
Next step services	83,300	110,600
VA overnight services	386,430	338,857
Other program services	88,404	80,404
Overnight, day and support services	2,380,850	1,884,561
Rental income	184,380	179,490
Total contract revenue	$ 2,565,230	$ 2,064,051

The Organization believes disaggregating revenue into these categories achieves the disclosure objective to show how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Other Program fees

HUM has additional sources of revenue that do not meet the definition of a contract with a customer under ASU 2014-09 consisting of voluntary program fees collected from men and women. The future cash flow of these program fees is uncertain because participation in the programs is voluntary, which makes collectability of fees uncertain. Revenue from program fees is recorded monthly as collected from program participants.

Program fees consist of the following at June 30:

	2026	2025
Lodging	$ 797,519	$ 805,077
Food stamps	814,666	747,571
Temporary disability assistance	254,097	237,345
Total program fees	$ 1,866,282	$ 1,789,993

17. Contributed Nonfinancial Assets (In-kind donations)

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. Revenues from contributions of nonfinancial assets were as follows at June 30:

	2026	2025	Monetized or Utilized	Programs Utilized	Donor Imposed Restrictions	Fair value Technique
Merchandise	$ 1,677,335	$1,163,513	Utilized	Overnight & spiritual recovery programs	None	Fair market value at time of donation
Rent	339,885	-	Utilized	Overnight & spiritual recovery programs	None	Fair rental value for comparable properties
Professional Services	2,576,624	2,349,949	Utilized	Overnight & spiritual recovery programs	None	Current hourly rates of professionals that contribute time and resources to the Organization
Food	1,700,853	1,528,794	Utilized	Overnight & spiritual recovery programs	None	Based on Feeding America Organization's valuation per pound of food in the United States, with adjustments related to the CPI index to capture changes to valuation based on inflation.
Total In-Kind	$ 6,294,697	$5,042,256				

Donated merchandise includes clothing, toiletries, bedding and other supplies for men, women and children. Donated professional services includes legal services, medical services including medical exams, eye exams, hearing tests, mental health and other counseling services provided to the men and women in the program.

18. Significant Estimate

The Organization has not received certain water bills from the City of Baltimore for several of their property locations. As such, the Organization has accrued an estimated liability at June 30, 2026 and 2025. Estimated accrued water bills totaled $209,196 and $161,676 at June 30, 2026 and 2025, respectively, and are included within “accounts payable” in the Consolidated Statements of Financial Position. Any difference between the estimated accrued expense and actual billings will be considered a change in estimate in the year in which the Organization receives the actual billings. A change in estimate totaling $45,961 and $-0- reduced utilities expense for the years ended June 30, 2026 and 2025, respectively, related to back dated water bills received for one property.

19. Related Party Transactions

Related Party Lease

Commencing on December 30, 2019, HOFSC leased property to HUM under an operating lease agreement, which expires on December 31, 2057. On December 30, 2019, a one-time rent payment of $4,000 was due and paid. The original lease agreement calls for quarterly rental payments of $1,000 from March 1, 2020 through September 30, 2021, and $37,000 to be paid in December 2021. The lease was amended in December 2021 to accommodate the second NMTC transaction. The amended lease agreement calls for quarterly rental payments of $54,000 from March 1, 2022 through December 31, 2026, $83,000 per quarter from March 1, 2027 through June 1, 2027, $180,000 per quarter from September 1, 2027 through June 30, 2029 and $248,000 per quarter from July 1, 2029 through expiration on December 1, 2057.

HOFSC recognizes rental income from the lease on a straight-line basis evenly over the lease term. Any difference between straight-line rent and payments made under the lease term is reflected as deferred rent receivable by HOFSC and is eliminated in consolidation. The deferred rent receivable eliminated in consolidation totaled $3,923,301 and $3,311,914 at June 30, 2026 and 2025, respectively.

Under *Topic 842*, HUM has recorded a ROU asset totaling $14,738,698 and $14,992,671 at June 30, 2026 and 2025, respectively, and a corresponding lease liability totaling $18,661,999 and $18,304,585 at June 30, 2026 and 2025, respectively, related to this lease. According to the Organization's elected policy, the ROU asset and liability were calculated utilizing the risk-free discount rate at July 1, 2022 upon implementation of *Topic 842,* which was 3.11%. The ROU asset and lease liability of HUM are eliminated in consolidation with the deferred rent receivable of HOFSC as of June 30, 2026.

Rental income and expense eliminated in consolidation totaled $827,387 for both of the years ended June 30, 2026 and 2025.

19. Related Party Transactions (continued)

Related Party Lease (continued)

Future maturities of this related party long-term leasing obligation which will be eliminated in consolidation are as follows:

For the years ended June 30,	Amount
2027	$ 274,000
2028	720,000
2029	720,000
2030	992,000
2031	992,000
Thereafter	26,288,000
Total undiscounted cash flows	29,986,000
Less: present value discount	(11,324,001)
Present value of lease liabilities	$ 18,661,999

Other Related Party Information

All expenses and certain capital improvements of HOF are incurred and paid by HUM and recorded as a contribution from HUM to HOF. During the years ended June 30, 2026 and 2025, HUM contributed $1,754,359 and $2,500,260, respectively, of expenses and capital improvements paid by HUM on behalf of HOF.

All related party transactions are eliminated in consolidation.

20. Rental Income

In October 2019, HUM entered into a lease agreement to provide certain facilities, equipment and administrative services for the operation of a behavioral health clinic in 1029 E. Baltimore Street. The lease was renewed for a two-year period effective October 2024 and provides for base monthly rentals to be received in the amount of $3,483 throughout the term of the lease.

HUM provides certain facilities, equipment and administrative services for the operation of a primary care medical center in 1017 E. Baltimore Street under a lease agreement. The lease is currently in effect through June 30, 2026 at base monthly rentals of $6,217.

20. Rental Income (continued)

HUM provides certain facilities, equipment and administrative services at 601 E. Chase Street to an unrelated third party under a lease agreement. The lease was subject to annual renewals through April 2025, at base monthly rentals of $4,542. Upon expiration in April 2025, the lease was renewed for a three-year period through April 2028 at base monthly rentals of $4,955 throughout the life of the lease.

HUM provides certain facilities, equipment and administrative services at 1216 E. Baltimore Street to an unrelated third party under a lease agreement. The lease is subject to annual renewals. The most current renewal ends January 2027 and provides for base monthly rentals of $647.

Rental income totaled $184,380 and $179,490 for the years ended June 30, 2026 and 2025, respectively under lease agreements not eliminated in consolidation. Future minimum rental income from leases that have a lease term in excess of one year at June 30, 2026 are as follows: for the year ended June 30, 2027 - $69,903 and June 30, 2028 - $49,545.

The cost of the buildings owned by HUM was $49,864,686 and $49,767,174 at June 30, 2026 and 2025, respectively and accumulated depreciation totaled $7,502,497 and $6,155,406 at June 30, 2026 and 2025, respectively. The portion of these buildings being rented is diminutive.

21. Commitments

Accumulated Vacation

Employees of HUM earn a vested right to compensation for unused vacation. Accordingly, HUM has made an accrual for vacation compensation that employees have earned but not taken. Accrued vacation totaled $375,823 and $390,618 at June 30, 2026 and 2025, respectively, and is included in the balance of “accrued expenses” on the Consolidated Statements of Financial Position.

Grant Commitments

In December 2006, HUM was awarded a grant from the State of Maryland, Board of Public Works for an amount not to exceed $200,000, provided HUM meets certain matching requirements. The grant was recognized as revenue in full in years prior to June 30, 2026 and 2025. The grant is to be used for the construction, repair and renovation of 1031 East Baltimore Street. Under the terms of the agreement, HUM may not sell, lease, exchange or give away any interest in the real or personal property acquired with the grant funds without prior written consent of the Board of Public Works. If the Board of Public Works permits the transfer or disposition, HUM may be required to repay the State the percentage of the proceeds allocable to the grant.

21. Commitments (continued)

Grant Commitments (continued)

In August 2007, HUM was awarded a conditional promise to give from The Harry and Jeanette Weinberg Foundation in the amount of $1,500,000. The grant is to be used to support capital costs for the renovations to buildings which serve as emergency shelter, transitional housing, and school for homeless men in Baltimore City. All conditions were met and the entire amount of the grant was recognized as revenue in years prior to June 30, 2026 and 2025. Under the terms of the grant agreement, HUM must have prior approval from The Harry and Jeanette Weinberg Foundation to sell or transfer ownership of the property through the year 2031. The proceeds received from any sale must be used for the construction or purchase of a replacement property.

In December 2008, HUM was awarded a conditional promise to give from FHLBank Atlanta, a Federal Home Loan Bank, in the amount of $1,000,000. The grant was to be used to support capital costs for the renovations to 1029 East Baltimore Street which will house a new chapel, overnight emergency services with beds for 60 men, classrooms and a library for homeless men in Baltimore City. The grant provides for payment in full on the conditions that the Organization complete construction at 1029 E. Baltimore Street and that 100% of ownership units and 75% of the assisted rental units must be occupied. HUM met all the requirements under this grant agreement and the grant was recognized as revenue in years prior to June 30, 2026 and 2025. The grant must be repaid if HUM is not in compliance with the terms of the application, which includes the use of the building for the services noted above for a period of fifteen years, expiring in 2026.

In December 2010, HUM was awarded a conditional promise to give from FHLBank Atlanta in the amount of $1,000,000. The grant is to be used to support capital costs for the renovations to 1031 East Baltimore Street. The grant provides for payment in full on the conditions that the Organization complete construction at 1031 E. Baltimore Street and that 100% of ownership units and 75% of the assisted rental units must be occupied. HUM met all the requirements under this grant agreement and the grant was recognized as revenue in years prior to June 30, 2026 and 2025. The grant must be repaid if HUM is not in compliance with the terms of the application, which includes the use of the building for the services noted above for a period of fifteen years, expiring in 2028.

In September 2011, HOF was awarded a grant from The Department of Housing and Community Development in the amount of $740,838. The grant was recognized as revenue in full in years prior to June 30, 2026 and 2025. The grant is to be used for the construction, repair, renovation and capital equipping of 1031 East Baltimore Street. The Organization must use this building as a shelter, transitional or other housing facility for the homeless, for a period of not less than fifteen years, expiring in 2027. If the properties are sold, transferred, or not used for the specified purpose prior to the year 2027, HOF must repay the grant in full.

21. Commitments (continued)

Grant Commitments (continued)

In July 2017, HOF was awarded a grant from The Maryland Department of Housing and Community Development in the amount of $1,400,000. The grant was recognized as revenue in full in years prior to June 30, 2026 and 2025. The grant is to be used for the rehabilitation of the commercial kitchen and dining hall located at 1023 E. Baltimore Street. The Organization must use this building as a shelter, transitional or other housing facility for the homeless, for a period of not less than fifteen years, expiring in 2032. If the properties are sold, transferred, or not used for the specified purpose prior to the year 2032, HOF must repay the grant in full.

In December 2019, HUM was awarded a conditional promise to give from Federal Home Loan Bank of New York in the amount of $2,000,000. The grant was recognized as revenue in full in years prior to June 30, 2026 and 2025. The grant must be repaid if HUM is not in compliance with the terms of the agreement, which includes operating the building at 1216 E. Baltimore Street as an affordable housing initiative for 15 years beginning on the 2nd anniversary of project completion, expiring in 2038.

Land and Disposition Agreement Related to Property Acquisition

In May 2024, HOF purchased property at 1100 E. Baltimore Street. The property is subject to a Land Disposition Agreement with the City of Baltimore. Under the Land Disposition Agreement, the Organization will complete the project, consisting of demolition of the remaining building structure on the property, clean-up of all demolition debris, landscaping, installation of ancillary improvements and equipment to permit the property to be used for outdoor recreation and installation of a historical marker. Upon completion of the project, a Certificate of Completion will be recorded among the Land Records of Baltimore City. No transfer or disposition of the property is allowed prior to the Certificate of Completion without prior consent from the City of Baltimore. As of June 30, 2026, the project was not complete and therefore no Certificate of Completion had been obtained.

Recovery Park

The Organization has entered into two separate contracts totaling $859,835 to continue improvements at 1100 E. Baltimore Street, to create a new 1.77-acre green space designed as a shared outdoor space that serves individuals in different stages of recovery. The project known as “Recovery Park” will feature walking paths, gardens, open lawns and areas for recreation and small gatherings.

22. Concentrations

Concentration of Credit Risk

The Organization, at times throughout the year, may have funds on deposit with financial institutions in excess of federally insured amounts. The Organization has not experienced any losses on cash accounts and management believes they are not exposed to significant credit risk on cash. Total cash and cash equivalents that were not covered by Federal Deposit Insurance Corporation insurance at June 30, 2026 and 2025 was $8,167,136 and $2,198,732, respectively.

23. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the Consolidated Statements of Financial Position date for general expenditures are as follows at June 30:

	2026	2025
Financial assets available within one year:		
Cash and cash equivalents	$ 4,505,440	$ 2,253,252
Accounts receivable, net of allowance	342,983	262,681
Contributions and grants receivable	465,076	129,485
Investments	14,549,242	13,849,893
Capital campaign pledges receivable	14,409	16,901
Operational pledges receivable	401,577	604,687
Total financial assets available within one year	20,278,727	17,116,899
Less: amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	2,646,488	1,710,854
Investments pledged as collateral	1,200,000	1,200,000
Minimum deposit required for line of credit	250,000	-
Less: Amounts unavailable to management without Board's approval:		
Board designated for capital needs	900,000	900,000
Total financial assets available to management for general expenditures within one year	$25,275,215	$ 20,927,753

23. Liquidity and Availability of Resources (continued)

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization has Board Designated net assets without donor restrictions, that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary. To help manage unanticipated liquidity needs, the Organization also has a committed line of credit of $1,000,000 which it could draw upon as needed.

24. Retirement Plan

HUM sponsors and contributes to an employee SIMPLE IRA plan. Contributions to this Plan totaled $129,479 and $114,016 for the years ended June 30, 2026 and 2025, respectively.

25. Supplemental Disclosure of Cash Flow Information

Cash paid for interest totaled $356,979 and $360,194 for the years ended June 30, 2026 and 2025, respectively.

26. Subsequent Events

Subsequent events were evaluated for disclosure through October 6, 2026, the date the financial statements were available to be issued. There were no subsequent events required to be disclosed.

Supplementary Information

Helping Up Mission, Inc. and Affiliates

Consolidating Statement of Financial Position

June 30, 2026

	Helping Up Mission, Inc.	House of Freedom, Inc.	House of Freedom Support Corporation	Eliminating Entries	Total
Assets					
Current Assets:					
Cash and cash equivalents	$ 4,260,583	$ 244,857	$ -	$ -	$ 4,505,440
Accounts receivable, net of allowance	342,983	-	-	-	342,983
Contributions and grants receivable	465,076	-	-	-	465,076
Investments	14,549,242	-	-	-	14,549,242
Capital campaign pledges receivable	14,409	-	-	-	14,409
Operational pledges receivable	401,577	-	-	-	401,577
Prepaid expenses	83,994	-	-	-	83,994
Total current assets	20,117,864	244,857	-	-	20,362,721
Property and Equipment:					
Buildings and improvements	628,574	20,132,516	40,239,054	(104,301)	60,895,843
Furniture and equipment	1,763,971	603,519	4,719,479	-	7,086,969
Vehicles	833,739	-	-	-	833,739
Total	3,226,284	20,736,035	44,958,533	(104,301)	68,816,551
Less accumulated depreciation	1,775,927	8,142,808	5,785,639	20,904	15,725,278
	1,450,357	12,593,227	39,172,894	(125,205)	53,091,273
Land	-	10,838,686	304,300	-	11,142,986
Construction in progress	145,671	539,081	-	-	684,752
Net property and equipment	1,596,028	23,970,994	39,477,194	(125,205)	64,919,011
Other Assets:					
Restricted cash - women's program	3,839,982	-	68,719	-	3,908,701
Restricted cash - endowment	532,175	-	-	-	532,175
Fee reserves	-	-	61,762	-	61,762
Capital campaign pledges receivable - noncurrent	4,614	-	-	-	4,614
Deferred rent receivable	-	-	3,923,301	(3,923,301)	-
Right-of-use asset, operating lease, net	15,944,653	-	-	(14,738,698)	1,205,955
Other receivables and deposits	36,920	-	-	-	36,920
Note receivable	8,972,500	7,353,000	-	-	16,325,500
Total other assets	29,330,844	7,353,000	4,053,782	(18,661,999)	22,075,627
Total Assets	$ 51,044,736	$ 31,568,851	$ 43,530,976	$ (18,787,204)	$ 107,357,359

Helping Up Mission, Inc. and Affiliates

Consolidating Statement of Financial Position

June 30, 2026

	Helping Up Mission, Inc.	House of Freedom, Inc.	House of Freedom Support Corporation	Eliminating Entries	Total
Liabilities and Net Assets					
Current Liabilities:					
Current maturities of loans payable	$ 144,369	$ -	$ -	$ -	$ 144,369
Current maturities of annuities payable	4,132	-	-	-	4,132
Accounts payable	321,688	124,183	196,455	-	642,326
Accrued expenses	568,041	5,174	-	-	573,215
Refundable donor advance	195,459	-	-	-	195,459
Current maturities of lease liabilities	223,598	-	-	-	223,598
Total current liabilities	1,457,287	129,357	196,455	-	1,783,099
Long-Term Liabilities:					
Loans payable, net of current maturities	5,275,467	-	18,870,000	-	24,145,467
Annuities payable, net of current maturities	25,999	-	-	-	25,999
Lease liabilities, net of current maturities	19,752,151	-	-	(18,661,999)	1,090,152
Total long-term liabilities	25,053,617	-	18,870,000	(18,661,999)	25,261,618
Total liabilities	26,510,904	129,357	19,066,455	(18,661,999)	27,044,717
Net Assets:					
Without donor restrictions (Note 14)	17,515,187	31,439,494	24,334,040	(125,205)	73,163,516
With donor restrictions (Note 15)	7,018,645	-	130,481	-	7,149,126
Total net assets	24,533,832	31,439,494	24,464,521	(125,205)	80,312,642
Total Liabilities and Net Assets	$ 51,044,736	$ 31,568,851	$ 43,530,976	$ (18,787,204)	$ 107,357,359

Helping Up Mission, Inc. and Affiliates

Consolidating Statement of Financial Position

June 30, 2025

	Helping Up Mission, Inc.	House of Freedom, Inc.	House of Freedom Support Corporation	Eliminating Entries	Total
Assets					
Current Assets:					
Cash and cash equivalents	$ 2,175,378	$ 77,874	$ -	$ -	$ 2,253,252
Accounts receivable, net of allowance	262,681	-	-	-	262,681
Contributions and grants receivable	129,485	-	-	-	129,485
Investments	13,849,893	-	-	-	13,849,893
Capital campaign pledges receivable	16,901	-	-	-	16,901
Operational pledges receivable	604,687	-	-	-	604,687
Prepaid expenses	72,240	1,548	-	-	73,788
Total current assets	17,111,265	79,422	-	-	17,190,687
Property and Equipment:					
Buildings and improvements	592,852	19,630,105	40,230,774	(104,301)	60,349,430
Furniture and equipment	1,676,520	603,519	4,719,504	-	6,999,543
Vehicles	539,681	-	-	-	539,681
Total	2,809,053	20,233,624	44,950,278	(104,301)	67,888,654
Less accumulated depreciation	1,461,126	7,403,769	4,364,192	20,904	13,249,991
	1,347,927	12,829,855	40,586,086	(125,205)	54,638,663
Land	-	10,838,686	304,300	-	11,142,986
Construction in progress	16,355	65,083	-	-	81,438
Net property and equipment	1,364,282	23,733,624	40,890,386	(125,205)	65,863,087
Other Assets:					
Restricted cash - women's program	-	-	86,320	-	86,320
Restricted investments for women's program	5,000,470	-	-	-	5,000,470
Fee reserves	-	-	143,857	-	143,857
Capital campaign pledges receivable - noncurrent	9,436	-	-	-	9,436
Operational pledges receivable - noncurrent	332,889	-	-	-	332,889
Deferred rent receivable	-	-	3,311,914	(3,311,914)	-
Right-of-use asset, operating lease, net	16,414,240	-	-	(14,992,671)	1,421,569
Other receivables and deposits	2,800	-	-	-	2,800
Note receivable	8,972,500	7,353,000	-	-	16,325,500
Total other assets	30,732,335	7,353,000	3,542,091	(18,304,585)	23,322,841
Total Assets	$ 49,207,882	$ 31,166,046	$ 44,432,477	$ (18,429,790)	$ 106,376,615

Helping Up Mission, Inc. and Affiliates

Consolidating Statement of Financial Position

June 30, 2025

	Helping Up Mission, Inc.	House of Freedom, Inc.	House of Freedom Support Corporation	Eliminating Entries	Total
Liabilities and Net Assets					
Current Liabilities:					
Current maturities of loans payable	$ 137,930	$ -	$ -	$ -	$ 137,930
Current maturities of annuities payable	3,837	-	-	-	3,837
Accounts payable	254,751	27,772	153,273	-	435,796
Accrued expenses	686,047	-	-	-	686,047
Current maturities of lease liabilities	209,948	-	-	-	209,948
Total current liabilities	1,292,513	27,772	153,273	-	1,473,558
Long-Term Liabilities:					
Loans payable, net of current maturities	5,420,267	-	18,870,000	-	24,290,267
Annuities payable, net of current maturities	30,131	-	-	-	30,131
Lease liabilities, net of current maturities	19,618,335	-	-	(18,304,585)	1,313,750
Total long-term liabilities	25,068,733	-	18,870,000	(18,304,585)	25,634,148
Total liabilities	26,361,246	27,772	19,023,273	(18,304,585)	27,107,706
Net Assets:					
Without donor restrictions (Note 14)	16,135,312	31,138,274	25,179,027	(125,205)	72,327,408
With donor restrictions (Note 15)	6,711,324	-	230,177	-	6,941,501
Total net assets	22,846,636	31,138,274	25,409,204	(125,205)	79,268,909
Total Liabilities and Net Assets	$ 49,207,882	$ 31,166,046	$ 44,432,477	$ (18,429,790)	$ 106,376,615

Helping Up Mission, Inc. and Affiliates

Consolidating Statement of Activities

For the year ended June 30, 2026

	Helping Up Mission, Inc.	House of Freedom, Inc.	House of Freedom Support Corporation	Eliminating Entries	Total
Support and Revenue:					
Support:					
Contributions and gifts	$ 14,364,998	$ -	$ -	$ -	$ 14,364,998
In-kind donations (Note 17)	6,294,697	-	-	-	6,294,697
Operational pledges	133,674	-	-	-	133,674
Total support	20,793,369	-	-	-	20,793,369
Revenue:					
Program fees	1,866,282	-	-	-	1,866,282
Overnight, day and support services	2,380,850	-	-	-	2,380,850
Rental income	184,380	-	827,387	(827,387)	184,380
Other income	28,806	-	-	-	28,806
Total revenue	4,460,318	-	827,387	(827,387)	4,460,318
Total support and revenue	25,253,687	-	827,387	(827,387)	25,253,687
Functional Expenses:					
Program services	18,663,129	1,551,007	1,741,260	(827,387)	21,128,009
Administrative and general	1,258,865	-	30,980	-	1,289,845
Fundraising	3,493,074	-	-	-	3,493,074
Total functional expenses	23,415,068	1,551,007	1,772,240	(827,387)	25,910,928
Increase (decrease) from operations	1,838,619	(1,551,007)	(944,853)	-	(657,241)
Other Changes:					
Contributions (to) from related parties	(1,754,359)	1,754,359	-	-	-
Investment income	1,617,936	97,868	170	-	1,715,974
Uncollectible pledges and grants	(15,000)	-	-	-	(15,000)
Total other changes	(151,423)	1,852,227	170	-	1,700,974
Increase (decrease) in net assets	1,687,196	301,220	(944,683)	-	1,043,733
Net assets - beginning of year	22,846,636	31,138,274	25,409,204	(125,205)	79,268,909
Net assets - end of year	$ 24,533,832	$ 31,439,494	$ 24,464,521	$ (125,205)	$ 80,312,642

Helping Up Mission, Inc. and Affiliates

Consolidating Statement of Activities

For the year ended June 30, 2025

	Helping Up Mission, Inc.	House of Freedom, Inc.	House of Freedom Support Corporation	Eliminating Entries	Total
Support and Revenue:					
Support:					
Contributions and gifts	$ 10,486,489	$ -	$ -	$ -	$ 10,486,489
In-kind donations (Note 17)	5,042,256	-	-	-	5,042,256
Operational pledges	1,103,453	-	-	-	1,103,453
Total support	16,632,198	-	-	-	16,632,198
Revenue:					
Program fees	1,789,993	-	-	-	1,789,993
Overnight, day and support services	1,884,561	-	-	-	1,884,561
Rental income	179,490	-	827,387	(827,387)	179,490
Other income	24,988	-	-	-	24,988
Total revenue	3,879,032	-	827,387	(827,387)	3,879,032
Total support and revenue	20,511,230	-	827,387	(827,387)	20,511,230
Functional Expenses:					
Program services	16,240,350	1,466,162	1,740,365	(827,387)	18,619,490
Administrative and general	1,135,713	-	23,065	-	1,158,778
Fundraising	3,378,898	-	-	-	3,378,898
Total functional expenses	20,754,961	1,466,162	1,763,430	(827,387)	23,157,166
Decrease from operations	(243,731)	(1,466,162)	(936,043)	-	(2,645,936)
Other Changes:					
Contributions (to) from related parties	(2,500,260)	2,500,260	-	-	-
Investment income	1,557,657	97,868	365	-	1,655,890
Uncollectible pledges and grants	(20,000)	-	-	-	(20,000)
Change in value of annuities	(27,804)	-	-	-	(27,804)
Loss on disposal of fixed assets	-	-	(20,813)	-	(20,813)
Total other changes	(990,407)	2,598,128	(20,448)	-	1,587,273
(Decrease) increase in net assets	(1,234,138)	1,131,966	(956,491)	-	(1,058,663)
Net assets - beginning of year	24,080,774	30,006,308	26,365,695	(125,205)	80,327,572
Net assets - end of year	$ 22,846,636	$ 31,138,274	$ 25,409,204	$ (125,205)	$ 79,268,909

Helping Up Mission, Inc. and Affiliates

Consolidating Statement of Expenses

For the year ended June 30, 2026

	Helping Up Mission, Inc.	House of Freedom, Inc.	House of Freedom Support Corporation	Eliminating Entries	Total
Annuity interest	$ 2,513	$ -	$ -	$ -	$ 2,513
Bank fees	65,717	1,687	-	-	67,404
Conference, seminars and meetings	102,778	-	-	-	102,778
Contribution to CityGate	155,274	-	-	-	155,274
Cultivation and acquisition	2,183,473	-	-	-	2,183,473
Depreciation	327,050	739,039	1,421,472	-	2,487,561
Kitchen	1,220,626	-	-	-	1,220,626
Housekeeping	172,420	-	-	-	172,420
Insurance	235,823	1,548	-	-	237,371
Interest	149,452	-	233,590	-	383,042
Memberships and subscriptions	35,895	-	-	-	35,895
Newsletter expenses	149,290	-	-	-	149,290
Printing, postage and shipping	34,504	-	-	-	34,504
Professional and contractual services	364,802	-	117,178	-	481,980
Public awareness	170,207	-	-	-	170,207
Leasing costs	1,106,137	-	-	(827,387)	278,750
Repairs and maintenance - building	261,084	243,053	-	-	504,137
Residents' assistance	612,250	-	-	-	612,250
Salaries and related expenses	8,658,875	-	-	-	8,658,875
Software licensing	152,414	-	-	-	152,414
Special events	12,828	79	-	-	12,907
Supplies	190,755	1,444	-	-	192,199
Telephone and communication	53,252	12,539	-	-	65,791
Travel	177,339	-	-	-	177,339
Utilities	466,828	551,618	-	-	1,018,446
Vehicles	95,705	-	-	-	95,705
Subtotal	17,157,291	1,551,007	1,772,240	(827,387)	19,653,151
Non-cash distributions:					
Donated food distribution	1,700,853	-	-	-	1,700,853
Donated merchandise distribution	1,640,415	-	-	-	1,640,415
Donated professional services distribution	2,576,624	-	-	-	2,576,624
Donated rent distribution	339,885	-	-	-	339,885
Subtotal - Non-cash distributions	6,257,777	-	-	-	6,257,777
Total expenses	$ 23,415,068	$ 1,551,007	$ 1,772,240	$ (827,387)	$ 25,910,928

Helping Up Mission, Inc. and Affiliates

Consolidating Statement of Expenses

For the year ended June 30, 2025

	Helping Up Mission, Inc.	House of Freedom, Inc.	House of Freedom Support Corporation	Eliminating Entries	Total
Annuity interest	$ 428	$ -	$ -	$ -	$ 428
Bank fees	71,077	766	-	-	71,843
Camps	32,435	-	-	-	32,435
Conference, seminars and meetings	69,671	-	-	-	69,671
Cultivation and acquisition	1,948,482	-	-	-	1,948,482
Depreciation	307,132	764,806	1,421,232	-	2,493,170
Kitchen	1,165,442	1,784	-	-	1,167,226
Housekeeping	128,846	-	-	-	128,846
Insurance	235,064	1,689	-	-	236,753
Interest	155,047	-	233,590	-	388,637
Memberships and subscriptions	41,644	-	-	-	41,644
Newsletter expenses	151,867	-	-	-	151,867
Printing, postage and shipping	29,841	-	-	-	29,841
Professional and contractual services	353,510	-	108,608	-	462,118
Public awareness	314,830	-	-	-	314,830
Leasing costs	1,102,872	-	-	(827,387)	275,485
Repairs and maintenance - building	209,363	193,501	-	-	402,864
Residents' assistance	530,071	-	-	-	530,071
Salaries and related expenses	7,918,884	-	-	-	7,918,884
Software licensing	126,400	-	-	-	126,400
Special events	972	-	-	-	972
Supplies	120,543	-	-	-	120,543
Telephone and communication	51,552	6,962	-	-	58,514
Travel	132,482	-	-	-	132,482
Utilities	417,498	496,654	-	-	914,152
Vehicles	96,752	-	-	-	96,752
Subtotal	15,712,705	1,466,162	1,763,430	(827,387)	18,114,910
Non-cash distributions:					
Donated food distribution	1,528,794	-	-	-	1,528,794
Donated merchandise distribution	1,163,513	-	-	-	1,163,513
Donated professional services distribution	2,349,949	-	-	-	2,349,949
Subtotal - Non-cash distributions	5,042,256	-	-	-	5,042,256
Total expenses	$ 20,754,961	$ 1,466,162	$ 1,763,430	$ (827,387)	$ 23,157,166