



# Mercy's Gate

Serving our Neighbors in Crisis in Jesus' Name

**MERCY'S GATE**

**FINANCIAL STATEMENTS**

For the Year Ended December 31, 2025  
With Comparative Totals for the Year Ended December 31, 2024



# MERCY'S GATE

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## **Independent Accountants' Review Report**

To Board of Directors of  
**Mercy's Gate**

We have reviewed the accompanying financial statements of Mercy's Gate (the "Organization"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements"). A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

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

### ***Accountants' Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### ***Accountants' Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

***Report on Prior Year Summarized Comparative Information***

We previously reviewed Mercy's Gate's 2024 financial statements, and we expressed that, based on our review, we were not aware of any material modifications that should be made to those reviewed financial statements in order for them to be in accordance with the accounting principles generally accepted in the United States of America in our report dated June 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects with the reviewed financial statements from which it has been derived.

*CBIZ CPAs P.C.*

Colorado Springs, Colorado  
June 4, 2026

**MERCY'S GATE**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2025 and 2024

	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,444,279	\$ 1,392,509
Contributions Receivable	82,012	66,657
Inventory	8,176	10,273
Prepaid Expenses	18,607	6,571
<b>Total Current Assets</b>	<b>1,553,074</b>	<b>1,476,010</b>
<b>Non-Current Assets</b>		
Lease Deposits	5,500	4,000
Fixed Assets, Net	3,437	10,366
Operating Lease Right-of-Use Assets	194,029	37,842
<b>Total Non-Current Assets</b>	<b>202,966</b>	<b>52,208</b>
<b>Total Assets</b>	<b>\$ 1,756,040</b>	<b>\$ 1,528,218</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 43,203	\$ 38,738
Operating Lease Liabilities - Current Portion	65,796	37,842
<b>Total Current Liabilities</b>	<b>108,999</b>	<b>76,580</b>
<b>Non-Current Liabilities</b>		
Operating Lease Liabilities, Net of Current Portion	128,433	--
<b>Total Liabilities</b>	<b>237,432</b>	<b>76,580</b>
<b>Net Assets</b>		
Without Donor Restrictions	1,426,621	1,338,336
With Donor Restrictions	91,987	113,302
<b>Total Net Assets</b>	<b>1,518,608</b>	<b>1,451,638</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,756,040</b>	<b>\$ 1,528,218</b>

*See accompanying notes and independent accountants' review report.*

**MERCY'S GATE**

**STATEMENTS OF ACTIVITIES**

For the Year Ended December 31, 2025  
(With Summarized Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
<b>Revenue and Support</b>				
Contributions and Grants	\$ 802,846	\$ 259,169	\$ 1,062,015	\$ 980,577
In-Kind Contributions	1,241,416	--	1,241,416	1,300,247
Interest Income	16,479	--	16,479	20,621
Other Income	26,363	--	26,363	30,344
Net Assets Released				
From Restrictions				
Satisfaction of				
Program Restrictions	213,827	(213,827)	--	--
Satisfaction of				
Time Restrictions	66,657	(66,657)	--	--
<b>Total Revenue and Support</b>	<u>2,367,588</u>	<u>(21,315)</u>	<u>2,346,273</u>	<u>2,331,789</u>
<b>Expenses</b>				
Program	<u>1,976,172</u>	<u>--</u>	<u>1,976,172</u>	<u>1,798,292</u>
Support				
General and Administrative	143,524	--	143,524	211,282
Fundraising	<u>159,607</u>	<u>--</u>	<u>159,607</u>	<u>193,551</u>
Total Support	<u>303,131</u>	<u>--</u>	<u>303,131</u>	<u>404,833</u>
<b>Total Expenses</b>	<u>2,279,303</u>	<u>--</u>	<u>2,279,303</u>	<u>2,203,125</u>
<b>Change in Net Assets</b>	88,285	(21,315)	66,970	128,664
<b>Beginning Net Assets</b>	<u>1,338,336</u>	<u>113,302</u>	<u>1,451,638</u>	<u>1,322,974</u>
<b>Ending Net Assets</b>	<u>\$ 1,426,621</u>	<u>\$ 91,987</u>	<u>\$ 1,518,608</u>	<u>\$ 1,451,638</u>

*See accompanying notes and independent accountants' review report.*

**MERCY'S GATE**

**STATEMENTS OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2025  
(With Summarized Comparative Totals for 2024)

Expenses	Support			Total	
	Program	General and Administrative	Fundraising	2025	2024
Salaries	\$ 217,313	\$ 73,578	\$ 56,782	\$ 347,673	\$ 303,311
Payroll Taxes and Benefits	36,933	13,917	9,457	60,307	50,853
	<u>254,246</u>	<u>87,495</u>	<u>66,239</u>	<u>407,980</u>	<u>354,164</u>
Housing Assistance	213,091	--	--	213,091	131,962
Contracted Services	15,600	3,545	51,762	70,907	73,325
Facility Rent	46,420	3,090	3,090	52,600	51,300
Medical Assistance	36,083	--	--	36,083	43,499
Fundraising	--	--	27,016	27,016	18,781
Transportation Assistance	23,925	--	--	23,925	23,608
Pantry	23,077	--	--	23,077	12,683
Security	22,588	--	--	22,588	21,190
Other Program Assistance	19,073	--	--	19,073	37,912
Accounting Services	--	17,011	--	17,011	10,318
Insurance	13,400	892	892	15,184	13,775
Office and Supplies	5,351	5,351	1,188	11,890	7,270
Technology and Databases	5,141	2,856	3,427	11,424	17,057
Bank Charges	--	11,280	--	11,280	6,713
Clothing Assistance	10,835	--	--	10,835	--
Depreciation	6,727	1,794	448	8,969	20,332
Memberships	3,999	3,999	889	8,887	9,060
Telephone and Internet	7,308	486	487	8,281	8,149
Facility Utilities	7,269	484	484	8,237	7,509
Facility Repairs and Maintenance	5,594	372	373	6,339	7,583
Staff/Volunteer Appreciation	2,545	2,545	565	5,655	7,062
Pantry Storage	4,923	--	--	4,923	--
Printing and Copying	3,852	867	96	4,815	10,431
Meals	--	1,121	2,614	3,735	4,062
Professional Development	2,217	--	--	2,217	609
Postage	1,492	336	37	1,865	2,908
Seasonal Assistance	--	--	--	--	1,616
	<u>480,510</u>	<u>56,029</u>	<u>93,368</u>	<u>629,907</u>	<u>548,714</u>
<b>Total Before In-Kind Expenses</b>	<u>734,756</u>	<u>143,524</u>	<u>159,607</u>	<u>1,037,887</u>	<u>902,878</u>

*See accompanying notes and independent accountants' review report.*

**MERCY'S GATE**

**STATEMENTS OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2025  
(With Summarized Comparative Totals for 2024)

	Program	Support		Total	
		General and Administrative	Fundraising	2025	2024
<b>In-Kind Expenses</b>					
Volunteer Income Tax Assistance	487,800	--	--	487,800	450,000
Food Pantry	410,784	--	--	410,784	422,136
COPE Utilities Assistance	291,324	--	--	291,324	345,886
Energy Outreach CO	16,438	--	--	16,438	20,187
Clothing Vouchers	11,050	--	--	11,050	10,800
Food Pantry Space	9,000	--	--	9,000	14,400
Seasonal Programs	7,875	--	--	7,875	30,589
Other Goods and Services	7,145	--	--	7,145	6,249
<b>Total In-Kind Expenses</b>	<u>1,241,416</u>	<u>--</u>	<u>--</u>	<u>1,241,416</u>	<u>1,300,247</u>
<b>Total - 2025</b>	<u>\$ 1,976,172</u>	<u>\$ 143,524</u>	<u>\$ 159,607</u>	<u>\$ 2,279,303</u>	
<b>Percent of Total Expenses - 2025</b>	<u>87%</u>	<u>6%</u>	<u>7%</u>	<u>100%</u>	
<b>Total - 2024</b>	<u>\$ 1,798,292</u>	<u>\$ 211,282</u>	<u>\$ 193,551</u>		<u>\$ 2,203,125</u>
<b>Percent of Total Expenses - 2024</b>	<u>82%</u>	<u>10%</u>	<u>8%</u>		<u>100%</u>

*See accompanying notes and independent accountants' review report.*

**MERCY'S GATE**

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2025 and 2024

	2025	2024
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 66,970	\$ 128,664
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities		
Depreciation Expense	8,969	20,332
Amortization of Operating Lease Right-of-Use Assets	50,714	49,497
Changes in Operating Assets and Liabilities		
Contributions Receivable	(15,355)	(12,560)
Inventory	2,097	2,011
Prepaid Expenses	(12,036)	(982)
Lease Deposit	(1,500)	--
Accounts Payable	4,465	(5,930)
Accrued Expenses	--	9,860
Payments on Operating Lease Liabilities	(50,514)	(49,497)
<b>Net Cash Provided by Operating Activities</b>	<b>53,810</b>	<b>141,395</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(2,040)	--
<b>Net Cash Used in Investing Activities</b>	<b>(2,040)</b>	<b>--</b>
<b>Change in Cash and Cash Equivalents</b>	<b>51,770</b>	<b>141,395</b>
<b>Beginning Cash and Cash Equivalents</b>	<b>1,392,509</b>	<b>1,251,114</b>
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 1,444,279</b>	<b>\$ 1,392,509</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Operating Lease Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	\$ 206,901	\$ --

*See accompanying notes and independent accountants' review report.*

# MERCY'S GATE

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *NATURE OF ACTIVITIES*

Mercy's Gate (the "Organization"), formerly Northern Churches Care, a Colorado nonprofit corporation, is a faith-based organization in El Paso County supported by churches and charitable organizations to provide tangible and intangible resources (physical, financial, and spiritual) to enable those in need of short-term assistance to become physically and financially self-sufficient. Resource assistance provided by the Organization includes, but is not limited to, food, personal hygiene items, household products, and financial assistance through the means of vouchers or organization check disbursements on behalf of the individual in need.

#### *BASIS OF ACCOUNTING*

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Accordingly, the Company's records are maintained on the accrual basis of accounting.

#### *INCOME TAXES*

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code from tax on income derived from donations, income generated by activities carried on in furtherance of its exempt purpose and certain other specified income and, in addition, is qualified to receive tax deductible contributions. The Organization has been determined a publicly supported organization and not to be a private foundation.

The Organization's information returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2025, the information returns for 2022 through 2025 are considered open for Internal Revenue Service examination.

#### *ESTIMATES*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### *CASH AND CASH EQUIVALENTS*

The Organization considers cash in demand deposit accounts and temporary investments purchased with an original maturity of three months or less to be cash equivalents. At December 31, 2025 and 2024, the Organization had \$1,444,279 and \$1,392,509, respectively, of cash equivalents in money market and savings accounts.

The Organization maintains its cash and cash equivalents with high credit quality financial institutions. From time to time, the Organization's balances in its bank accounts exceed Federal Deposit Insurance Corporation limits. The Organization periodically evaluates the risk of exceeding insurance levels and may transfer funds as it deems appropriate. The Organization has not experienced any losses with regards to balances in excess of insured limits or as a result of other concentrations of credit risk.

MERCY'S GATE

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***CONTRIBUTIONS RECEIVABLE***

Contributions receivable are reported at the amount the Organization expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and establishes an allowance for credit losses, as necessary. Contributions receivable are due within one year. Management expects full collection of all outstanding receivables; therefore, no allowance for credit losses has been established.

***INVENTORY***

Inventory consists of donated gift cards recorded at cash value.

***FIXED ASSETS AND DEPRECIATION***

The Organization capitalizes property and equipment over \$1,000. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with restrictions to net assets without restrictions at that time.

Expenditures for renewals and betterments that materially extend the useful lives of an asset or increase its productivity are capitalized in the fixed asset accounts under the terms of the Organization's capitalization policy. Expenditures for maintenance and repairs that do not extend asset lives or improve productivity are charged to the appropriate expense accounts as incurred.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives
Leasehold Improvements	10 Years
Fixtures and Equipment	3-5 Years
Donated Vehicles	5 Years

# MERCY'S GATE

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***NET ASSETS***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### ***REVENUE AND REVENUE RECOGNITION***

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

#### ***CONTRIBUTIONS***

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions received with donor-imposed conditions and restrictions are reported as an increase in net assets without donor restrictions if the conditions and restrictions are met in the reporting period in which the contribution is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

#### ***DONATED SERVICES AND FACILITIES***

The value of donated services is recorded if the services received create or enhance a non-financial asset or require specialized skills that would typically need to be purchased if not provided by donation. Donated services meeting the above criteria, as well as donated facilities, and other items are reflected as contributions in-kind in the accompanying statement of activities at estimated fair values at the date of receipt.

# MERCY'S GATE

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUNCTIONAL ALLOCATION OF EXPENSES*

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expense are attributable to one or more program or supporting functions of the Organization and therefore, require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, occupancy, office expenses, and depreciation on the basis of usage of time, physical space, or materials, as appropriate.

#### *SUMMARIZED INFORMATION*

The financial statements include certain prior year summarized comparative information in total but not by net asset class nor by functionalized expense. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

#### *LEASES*

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the Organization's statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. For the Organization's leases that do not provide an implicit rate, it uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Organization accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be a variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments are recognized in operating expenses in the period in which the obligation for those payments was incurred.

The Organization has elected to apply the short-term lease exemption to all classes of underlying assets. Short-term lease costs were immaterial for the years ended December 31, 2025 and 2024.

#### *SUBSEQUENT EVENTS*

Management has evaluated subsequent events through June 4, 2026, the date on which the financial statements were available to be issued.

MERCY'S GATE

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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**NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization receives support from donor-restricted cash contributions and grants. However, most of these grants and contributions are believed to be available for general expenditures within one year of the statement of financial position date because the restrictions on the net assets can be met by conducting the normal activities of the Organization's programs within one year. Accordingly, the related resources have been included in the quantitative information below which details the financial assets available to meet general expenditures within one year.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures consist of the following at December 31:

	2025	2024
Financial Assets		
Cash and Cash Equivalents	\$ 1,444,279	\$ 1,392,509
Contributions Receivable	82,012	66,657
Gift Cards	<u>8,176</u>	<u>10,273</u>
	1,534,467	1,469,439
Financial Assets Not Available Within One Year For General Expenditures		
Funds With Donor Restrictions	<u>91,987</u>	<u>113,302</u>
Total Financial Assets Available Within One Year For General Expenditures	<u>\$ 1,442,480</u>	<u>\$ 1,356,137</u>

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 180 days of normal operating expenses, which are, on average approximately \$450,000.

**MERCY'S GATE**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended December 31, 2025

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**NOTE 3 – CASH AND CASH EQUIVALENTS**

The balance in cash and cash equivalents consists of the following at December 31:

	2025	2024
Demand Deposits	\$ 372,902	\$ 376,454
Insured Bank Deposits	<u>1,071,377</u>	<u>1,016,055</u>
	<u>\$ 1,444,279</u>	<u>\$ 1,392,509</u>

**NOTE 4 – FIXED ASSETS**

Fixed assets consist of the following at December 31:

	2025	2024
Leasehold Improvements	\$ 87,824	\$ 87,824
Fixtures and Equipment	47,708	53,869
Vehicles	<u>--</u>	<u>6,564</u>
<b>Fixed Assets, at Cost or Donated Value</b>	135,532	148,257
Less Accumulated Depreciation	<u>(132,095)</u>	<u>(137,891)</u>
<b>Fixed Assets, Net</b>	<u>\$ 3,437</u>	<u>\$ 10,366</u>

Depreciation expense for the years ended December 31, 2025 and 2024, was \$8,969 and \$20,332, respectively.

MERCY'S GATE

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 5 – LEASE COMMITMENTS

The Organization entered into two operating leases in 2025 for office space and pantry space, both for three years.

Total operating lease expense are as follows for the years ended December 31:

	2025	2024
Operating Lease Costs	\$ 52,300	\$ 52,963

The following summarizes the weighted average remaining lease terms and discount rates as of December 31:

	2025	2024
Weighted Average Remaining Lease Term in Years:		
Operating Leases	2.81	0.75
Weighted Average Discount Rate:		
Operating Leases	3.59%	5.49%

Cash paid for amounts included in the measurement of operating lease liabilities during 2025 and 2024, totaled \$52,100 and \$51,300, respectively.

The maturities of the lease liabilities as of December 31, 2025 were as follows:

Year Ending December 31,	Operating
2026	\$ 71,600
2027	72,800
2028	<u>60,000</u>
	204,400
Less: Present Value Discount	<u>(10,171)</u>
<b>Total Lease Obligation</b>	<b><u>\$ 194,229</u></b>

**MERCY'S GATE**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended December 31, 2025

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restriction activity is as follows for the years ended December 31:

2025	Beginning Balance	Received	Satisfied	Ending Balance
Housing Assistance	\$ 28,700	\$ 137,793	\$ (166,493)	\$ --
Pantry	--	14,154	(14,154)	--
Medical Assistance	--	25,000	(25,000)	--
Thanksgiving Program	9,936	50	(5,463)	4,523
School Supplies	8,009	160	(2,717)	5,452
Time Restricted	66,657	82,012	(66,657)	82,012
	<u>\$ 113,302</u>	<u>\$ 259,169</u>	<u>\$ (280,484)</u>	<u>\$ 91,987</u>

  

2024	Beginning Balance	Received	Satisfied	Ending Balance
Housing Assistance	\$ 30,809	\$ 105,429	\$ (107,538)	\$ 28,700
Pantry	3,109	--	(3,109)	--
Medical Assistance	--	35,000	(35,000)	--
Thanksgiving Program	13,961	100	(4,125)	9,936
School Supplies	3,889	7,000	(2,880)	8,009
Time Restricted	54,097	66,657	(54,097)	66,657
	<u>\$ 105,865</u>	<u>\$ 214,186</u>	<u>\$ (206,749)</u>	<u>\$ 113,302</u>

# MERCY'S GATE

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

### NOTE 7 – CONTRIBUTED GOODS AND SERVICES

The Organization recorded the following contributed goods and services for the years ended December 31:

Description	2025	2024
Volunteer Income Tax Assistance	\$ 487,800	\$ 450,000
Food Pantry	410,784	422,136
COPE Utilities Assistance	291,324	345,886
Energy Outreach CO	16,438	20,187
Clothing Vouchers	11,050	10,800
Food Pantry Space	9,000	14,400
Seasonal Programs	7,875	30,589
Other Goods and Services	7,145	6,249
	<u>\$ 1,241,416</u>	<u>\$ 1,300,247</u>

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.

Contributed services recognized comprise volunteer income tax assistance services from qualified tax professionals to prepare tax returns for individuals in need. Contributed services are valued and reported at the estimated fair value in the financial statements based on current rates for similar services.

The Organization receives food pantry items and holiday meal baskets (included in seasonal programs) to be distributed to individuals in need. In valuing household food pantry donations, the Organization estimates the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributions in-kind for utilities under the COPE and Energy Outreach CO programs are received from local utilities services and are provided to individuals in need based on the results of interviews and screening processes. The utilities assistance is provided directly to the individual and are valued and reported in the financial statements at actual fair value of the assistance provided.

Through September 2025, the Organization received use of in-kind pantry space to store food and was provided at no cost to the Organization. The use of the food pantry space was valued based on current market rates for similar space.

# MERCY'S GATE

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

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### NOTE 7 – CONTRIBUTED GOODS AND SERVICES (CONTINUED)

Clothing vouchers are provided to the Organization to be redeemed at local second-hand facilities by individuals and families in need. The vouchers are valued in the financial statements at the actual value of the vouchers received and provided.

Other contributions received in-kind for seasonal programs and other goods and services comprise school supplies, clothing, blankets, and other household tangible goods to be distributed as need arises. In valuing other goods the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

All gifts-in-kind received by the Organization for the years ended December 31, 2025 and 2024 were received without donor restrictions and able to be used by the Organization as determined by the board of directors and management. In addition, volunteers whose time did not qualify for recording in these financial statements donated approximately 16,000 and 12,600 hours of time during 2025 and 2024, respectively.

### NOTE 8 – RELATED PARTIES

During 2025 and 2024, the Organization's board members contributed \$2,192 and \$14,255, respectively, to the Organization. \$0 and \$12,135 of these contributions, respectively, were from an unrelated organization of which a board member was treasurer.

### NOTE 9 – RISKS AND UNCERTAINTIES

The Organization is exposed to various known and unknown risks and uncertainties. Risks include internal and external events and conditions (e.g., pandemics, international conflicts, labor market and supply chain disruption, government mandates and policies, volatile financial markets, etc.) which could impact the availability of grants and contributions and the ability to provide program services. It is at least reasonably possible that changes could occur in the near term and that such changes could materially affect the results of changes in net assets and financial position.