

**BREAD OF LIFE MISSION**

Financial Statements  
June 30, 2025 and 2024

## Table of Contents

	<b>Page</b>
<b>Independent Auditor's Report</b>	<b>1 and 2</b>
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-13

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Bread of Life Mission  
Seattle, Washington

### **Opinion**

We have audited the accompanying financial statements of Bread of Life Mission (the Mission, a nonprofit organization), which comprise the statement of financial position as of June 30, 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, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mission as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit 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 the Mission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Prior Period Financial Statements**

The financial statements of the Mission as of June 30, 2024, were audited by other auditors whose report dated July 24, 2025, expressed an unmodified opinion on those statements.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

Amanda O'Rourke, CPA  
Matt Smith, CPA  
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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mission's ability to continue as a going concern for a reasonable period of time.

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

*Greenwood Ohlund*

Seattle, Washington  
November 10, 2025

## BREAD OF LIFE MISSION

### STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 92,809	\$ 308,387
Investments	2,970,821	3,058,498
Contributions and grants receivable	45,000	2,262
Prepaid expenses and other assets	23,451	30,975
Total current assets	3,132,081	3,400,122
Investments held for Life Change Program Property Purchase	105,000	105,000
Right-of-Use Asset - Operating Lease	100,300	52,777
Property and Equipment, net	724,199	837,636
Total assets	<u>\$ 4,061,580</u>	<u>\$ 4,395,535</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 69,371	\$ 106,824
Accrued payroll and related	72,524	53,997
Operating lease liability	70,800	37,597
Total current liabilities	212,695	198,418
Operating Lease Liability, net	29,500	16,316
Total liabilities	242,195	214,734
Net Assets		
Without donor restrictions	3,654,385	4,070,974
With donor restrictions	165,000	109,827
Total net assets	3,819,385	4,180,801
Total liabilities and net assets	<u>\$ 4,061,580</u>	<u>\$ 4,395,535</u>

*See accompanying notes to financial statements.*

## BREAD OF LIFE MISSION

### STATEMENTS OF ACTIVITIES For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions and grants	\$ 1,832,264	\$ 60,000	\$ 1,892,264	\$ 1,811,885	\$ -	\$ 1,811,885
In-kind food contributions	621,951	-	621,951	824,378	-	824,378
Shelter revenue	4,323	-	4,323	141,027	-	141,027
Investment return	296,703	-	296,703	324,705	-	324,705
Net assets released from restrictions	4,827	(4,827)	-	-	-	-
Total support and revenue	2,760,068	55,173	2,815,241	3,101,995	-	3,101,995
Expenses						
Program services	2,195,493	-	2,195,493	1,852,985	-	1,852,985
Management and general	345,014	-	345,014	279,339	-	279,339
Fundraising	636,150	-	636,150	497,676	-	497,676
Total expenses	3,176,657	-	3,176,657	2,630,000	-	2,630,000
<b>Change in net assets</b>	<b>(416,589)</b>	<b>55,173</b>	<b>(361,416)</b>	<b>471,995</b>	<b>-</b>	<b>471,995</b>
Net Assets, beginning of year	4,070,974	109,827	4,180,801	3,598,979	109,827	3,708,806
Net Assets, end of year	<u>\$ 3,654,385</u>	<u>\$ 165,000</u>	<u>\$ 3,819,385</u>	<u>\$ 4,070,974</u>	<u>\$ 109,827</u>	<u>\$ 4,180,801</u>

*See accompanying notes to financial statements.*

## BREAD OF LIFE MISSION

### STATEMENTS OF FUNCTIONAL EXPENSES For the Year Ended June 30, 2025 and 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Payroll, taxes and benefits	\$ 912,287	\$ 189,000	\$ 142,801	\$ 1,244,088	\$ 516,096	\$ 130,169	\$ 74,086	\$ 720,351
Donated food	621,951	-	-	621,951	824,378	-	-	824,378
Newsletters and mailings	-	-	358,001	358,001	-	-	352,920	352,920
Professional fees	21,380	65,469	63,958	150,807	10,191	44,648	7,271	62,110
Utilities	146,460	-	-	146,460	103,734	-	-	103,734
Depreciation	115,901	-	-	115,901	132,464	3,691	547	136,702
Insurance	109,771	4,929	-	114,700	82,311	-	-	82,311
Shelter and other costs	90,610	-	-	90,610	64,093	48	883	65,024
Office expenses	49,718	5,436	7,339	62,493	15,362	13,723	28,852	57,937
Dues and subscriptions	21,211	5,673	32,072	58,956	1,636	13,167	9,270	24,073
Rent	-	52,215	-	52,215	-	28,925	9,483	38,408
Vehicle and transportation	42,734	2,520	-	45,254	32,337	4,902	441	37,680
Miscellaneous	16,215	13,897	13,895	44,007	10,022	10,762	2,454	23,238
Maintenance and repairs	32,950	-	-	32,950	44,748	8	-	44,756
Bank and merchant fees	2,415	-	17,003	19,418	3,196	1,761	8,154	13,111
Telephone	9,040	3,578	360	12,978	5,586	6,797	-	12,383
Conferences and training	2,850	2,297	721	5,868	6,831	2,678	3,315	12,824
Recruiting	-	-	-	-	-	18,060	-	18,060
Total expenses	<u>\$ 2,195,493</u>	<u>\$ 345,014</u>	<u>\$ 636,150</u>	<u>\$ 3,176,657</u>	<u>\$ 1,852,985</u>	<u>\$ 279,339</u>	<u>\$ 497,676</u>	<u>\$ 2,630,000</u>

*See accompanying notes to financial statements.*

## BREAD OF LIFE MISSION

### STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from donors	\$ 1,849,526	\$ 1,811,885
Cash received from customers	4,323	151,075
Cash received from interest and other	116,096	134,627
Cash paid to employees	(1,225,561)	(840,836)
Cash paid to vendors	(1,225,782)	(900,283)
Net cash flows from operating activities	(481,398)	356,468
Cash Flows from Investing Activity		
Purchases of investments	(311,716)	(367,851)
Sales of investments	580,000	-
Purchase of property and equipment	(2,464)	(32,213)
Net cash flows from investing activities	265,820	(400,064)
<b>Net change in cash and cash equivalents</b>	<b>(215,578)</b>	<b>(43,596)</b>
Cash and Cash Equivalents, beginning of the year	308,387	351,983
Cash and Cash Equivalents, end of the year	\$ 92,809	\$ 308,387

*See accompanying notes to financial statements.*

# BREAD OF LIFE MISSION

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Organization and Summary of Significant Accounting Policies

#### *Organization*

Bread of Life Mission (the Mission) is a nonprofit corporation located in Seattle, Washington. The Mission operates as an evangelic Christian ministry providing meals, lodging, and employment assistance and training to homeless men in the Greater Seattle area. The men’s shelter is located in facilities owned by the Mission. The Mission is supported primarily by contributions from the general public and a cross section of churches. A nominal fee is charged to individuals who receive lodging.

#### *Use of Estimates*

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

#### *Financial Statement Presentation*

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that will be met by actions of the Mission and/or the passage of time.

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

	2025	2024
Life Change Program property purchase	\$ 105,000	\$ 105,000
Future periods	60,000	-
Mattresses	-	2,623
Building renovations	-	2,204
	<u>\$ 165,000</u>	<u>\$ 109,827</u>

Revenue is reported as an increase in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets under the caption “released from restrictions.”

## BREAD OF LIFE MISSION

### NOTES TO FINANCIAL STATEMENTS

Contributions that the donor requires to be used to acquire long-lived assets (e.g., building improvements, furniture, fixtures, and equipment, the Life Change Program property purchase, etc.) are reported as restricted. When the long-lived assets are placed in service, the School reflects the expiration of the donor-imposed restriction as a reclassification included in net assets released from restriction.

#### *Cash and Cash Equivalents*

Cash and cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. At times, the Center has amounts deposited with financial institutions in excess of federally insured limits although does not believe it is exposed to any significant credit risk.

#### *Fair Value Measurements*

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable market inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

#### *Investments*

Investments in mutual funds and exchange traded funds are stated at fair value using Level 1 inputs in the fair value hierarchy (observable market inputs such as quoted prices in active markets for identical assets).

Investments are composed of the following at June 30:

	2025	2024
Cash and cash equivalents	\$ 15,240	\$ 19,315
Bond mutual funds	1,954,584	2,183,852
Equity mutual funds	973,911	862,751
Exchange traded funds	132,086	97,580
	<u>\$ 3,075,821</u>	<u>\$ 3,163,498</u>

## BREAD OF LIFE MISSION

### NOTES TO FINANCIAL STATEMENTS

Investments are presented in the statements of financial position as follows at June 30:

	2025	2024
Investments	\$ 2,970,821	\$ 3,058,498
Investments held for Life Change Program property purchase	105,000	105,000
	<u>\$ 3,075,821</u>	<u>\$ 3,163,498</u>

Investment return (consisting of realized and unrealized gains and losses, and dividends and interest, net of external investment fees) are reported on the statements of activities as increases or decreases in net assets without donor restrictions unless a donor restricts its use.

#### *Contributions and Grants Receivable*

Contributions and grants receivable are stated at the amount management expects to collect from outstanding balances and if expected to be collected within the next year, are recorded at net realizable value. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of the individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. Management does not believe an allowance for uncollectible contributions and grants receivable is necessary at June 30, 2025 or 2024, as there were no amounts considered uncollectible.

#### *Leases*

The Mission determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets represent the Mission's right to use an underlying asset for the lease term, and lease liabilities represent the Mission's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Center will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Mission has elected to recognize payments for short-term leases with terms of 12 months or less as expense as incurred, and these leases are not included as ROU assets or lease liabilities on the statements of financial position. Management has determined that any discount rate used for computing the present value of lease liabilities would be immaterial, and as such, it is not included in these financial statements.

The Mission has elected not to separate non-lease components from lease components and instead accounts for each separate lease component and the non-lease component as a single lease component.

## BREAD OF LIFE MISSION

### NOTES TO FINANCIAL STATEMENTS

#### *Property and Equipment*

Property and equipment are recorded at cost if purchased, or at fair value at the time of donation, if donated. The Mission capitalizes all items over \$1,000 with a useful life of more than one year. Depreciation is recognized on a straight-line basis. Buildings and improvements are depreciated over 25 years, and equipment and vehicles over 5 years.

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	2,413,135	\$ 2,404,740
Equipment	538,685	544,615
Vehicles	120,863	120,864
	<u>3,072,683</u>	<u>3,070,219</u>
Less: Accumulated depreciation	<u>(2,373,484)</u>	<u>(2,257,583)</u>
	699,199	812,636
Land	<u>25,000</u>	<u>25,000</u>
	<u>\$ 724,199</u>	<u>\$ 837,636</u>

#### *Revenue Recognition*

Contributions and grants (including those received at special events) are recorded when unconditionally pledged as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Conditional promises to give, that is, those with a measurable performance or barrier and a right of return, are not recognized until the conditions on which they depend have been met.

During the year ended June 30, 2025, 17% of contributions and grants were received from one donor. There were no such concentrations during the year ended June 30, 2024

Shelter revenue consists of various goods and services provided including meals, lodging and other supplies or services. Shelter revenue is recognized to revenue at the point of sale when the good is transferred to the customer or over time as the service is provided (ranging from point of sale to approximately one day). There are no significant judgments affecting the determination of the amount and timing of shelter revenues.

#### *In-Kind Contributed Food and Services*

The Mission receives donated services from unpaid volunteers who assist in fundraising, office support, and special projects. No amounts have been recognized in the statement of activities because these contributed services do not meet the criteria for recognition.

## **BREAD OF LIFE MISSION**

### **NOTES TO FINANCIAL STATEMENTS**

The Mission also receives donated food. The value of donated food is calculated using a set rate per pound received. During the year ended June 30, 2025, all food was valued at \$2.16 per pound. During the year ended June 30, 2024, all food was valued at \$2.00 per pound. These donated goods are not monetized and are used in the Mission's programs during the year the assets are received.

During the years ended June 30, 2025 and 2024, nearly all in-kind food was received from MealConnect, a subsidiary of Feeding America, and Food Lifeline. These nonprofits supply food from various sources to food banks and shelters.

#### *Functional Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are primarily payroll, taxes and benefits, professional fees, insurance, shelter and other costs, professional fees, office expenses, and other, which are allocated on the basis of estimates of time and effort. Depreciation is allocated based on estimates of use of space.

#### *Income Taxes*

The Mission is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### *Reclassifications*

Certain prior year balances have been reclassified in order to conform to the current year presentation.

#### *Subsequent Events*

The Mission has evaluated subsequent events through the date these financial statements were available to be issued, which was November 10, 2025.

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## BREAD OF LIFE MISSION

### NOTES TO FINANCIAL STATEMENTS

#### Note 2 – Liquidity and Availability of Resources

The Mission's goal is generally to maintain financial assets to meet 2 to 3 months of operating expenses. Cash and cash equivalents are held in readily available checking and savings accounts. In the event of liquidity issues, the Mission can sell investments for use in operations.

The following table reflects the Mission's financial assets as of June 30, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions.

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 92,809	\$ 308,387
Investments	3,075,821	3,058,498
Contributions and grants receivable	<u>45,000</u>	<u>2,262</u>
	3,213,630	3,369,147
Amounts not available for general use within one year:		
Net assets with donor restrictions (including time restricted beyond one year)	<u>(120,000)</u>	<u>(109,827)</u>
	<u>\$ 3,093,630</u>	<u>\$ 3,259,320</u>

#### Note 3 – Operating Lease

The Mission leases its office under an operating lease agreement through November 2026. This lease had an original maturity of November 2025, although was restructured (space expanded, price changed, and term extended) in March 2025. The new lease term ends November 2026.

Operating lease costs under these leases totaled \$49,901 and \$37,597 for the years ended June 30, 2025 and 2024, respectively, and are included in rent in the statements of functional expenses. Net operating cash flows for these leases totaled \$52,690 and \$39,068 during the years ended December 31, 2024 and 2023, respectively.

ROU assets recognized in exchange for operating lease liabilities totaled \$123,900 during the year ended June 30, 2025.

A maturity analysis of undiscounted future cash flows under this lease is as follows as of June 30, 2025, for the years ending December 31:

2026	\$ 70,800
2027	<u>29,500</u>
	<u>\$ 100,300</u>

## BREAD OF LIFE MISSION

### NOTES TO FINANCIAL STATEMENTS

The operating lease liability is presented in the statements of financial position as follows at June 30:

	<u>2025</u>	<u>2024</u>
Operating lease liability (a current liability)	\$ 70,800	\$ 37,597
Operating lease liability, net of current portion	<u>29,500</u>	<u>16,316</u>
	<u>\$ 100,300</u>	<u>\$ 53,913</u>