

BREAD OF LIFE MISSION

FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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C e r t i f i e d P u b l i c A c c o u n t a n t s

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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, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bread of Life Mission as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bread of Life Mission 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 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 Bread of Life 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, including omissions, 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.

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 Bread of Life 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 Bread of Life 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.

Luby + Thomson

Luby and Thomson, PLLC
Certified Public Accountants
Bellevue, Washington
March 21, 2024

BREAD OF LIFE MISSION

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 351,983	\$ 431,206
Investments	2,604,502	1,802,609
Accounts and grants receivable	12,310	5,251
Prepaid expenses	8,297	8,297
Total current assets	<u>2,977,092</u>	<u>2,247,363</u>
 Property and equipment, net	 943,192	 1,051,490
Operating lease right of use assets	88,274	-
Office deposit	2,147	2,147
 TOTAL ASSETS	 <u><u>\$ 4,010,705</u></u>	 <u><u>\$ 3,301,000</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 38,484	\$ 14,962
Accrued liabilities	174,482	14,767
Total current liabilities	<u>212,966</u>	<u>29,729</u>
 Operating lease liabilities	 88,933	 -
Total liabilities	<u>301,899</u>	<u>29,729</u>
 NET ASSETS		
Without donor restrictions	3,598,979	3,163,363
With donor restrictions	109,827	107,908
Total net assets	<u>3,708,806</u>	<u>3,271,271</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 4,010,705</u></u>	 <u><u>\$ 3,301,000</u></u>

The accompanying notes are an integral part of these financial statements

BREAD OF LIFE MISSION

STATEMENT OF ACTIVITIES AND NET ASSETS YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	\$ 1,815,625	\$ 2,623	\$ 1,818,248
In-kind contributions	600,695	-	600,695
Shelter revenue	168,840	-	168,840
Bequests	113,462	-	113,462
Loss on disposal of fixed assets	(12,053)	-	(12,053)
Investment income	169,324	-	169,324
	<u>2,855,893</u>	<u>2,623</u>	<u>2,858,516</u>
Net assets releases:			
Satisfaction of restriction	<u>704</u>	<u>(704)</u>	<u>-</u>
 Total support and revenue	 <u>2,856,597</u>	 <u>1,919</u>	 <u>2,858,516</u>
 EXPENSES			
Program services			
Program and community outreach expenses	1,002,459	-	1,002,459
In-kind donations	600,695	-	600,695
Total program expenses	<u>1,603,154</u>	<u>-</u>	<u>1,603,154</u>
Management and general	324,036	-	324,036
Fundraising	493,791	-	493,791
Total expense	<u>2,420,981</u>	<u>-</u>	<u>2,420,981</u>
 CHANGE IN NET ASSETS	 435,616	 1,919	 437,535
 NET ASSETS			
Beginning of the year	3,163,363	107,908	3,271,271
End of the year	<u>\$ 3,598,979</u>	<u>\$ 109,827</u>	<u>\$ 3,708,806</u>

The accompanying notes are an integral part of these financial statements

BREAD OF LIFE MISSION

STATEMENT OF ACTIVITIES AND NET ASSETS YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	\$ 1,661,742	\$ 704	\$ 1,662,446
In-kind contributions	451,019	-	451,019
Shelter revenue	89,709	-	89,709
Loss on disposal of fixed assets	(1,484)	-	(1,484)
Investment income	(207,223)	-	(207,223)
Insurance proceeds	6,796	-	6,796
	<u>2,000,559</u>	<u>704</u>	<u>2,001,263</u>
Net assets releases:			
Satisfaction of restriction	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
Total support and revenue	<u>2,050,559</u>	<u>(49,296)</u>	<u>2,001,263</u>
EXPENSES			
Program services			
Program and community outreach expenses	805,204	-	805,204
In-kind donations	<u>451,019</u>	<u>-</u>	<u>451,019</u>
Total program expenses	1,256,223	-	1,256,223
Management and general	229,187	-	229,187
Fundraising	<u>437,764</u>	<u>-</u>	<u>437,764</u>
Total expense	<u>1,923,174</u>	<u>-</u>	<u>1,923,174</u>
CHANGE IN NET ASSETS	127,385	(49,296)	78,089
NET ASSETS			
Beginning of the year	3,035,978	157,204	3,193,182
End of the year	<u>\$ 3,163,363</u>	<u>\$ 107,908</u>	<u>\$ 3,271,271</u>

The accompanying notes are an integral part of these financial statements

BREAD OF LIFE MISSION

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2023

	Program Services	Management and General	Fundraising	Total
Payroll, payroll taxes, and benefits	\$ 487,013	\$ 166,902	\$ 107,527	\$ 761,442
In-kind donations	600,695	-	-	600,695
Newsletters and mailings	-	-	344,459	344,459
Depreciation	135,224	3,768	558	139,550
Utilities	106,144	-	-	106,144
Shelter and other program costs	78,655	-	-	78,655
Insurance	63,734	4,437	-	68,171
Professional fees	6,582	45,340	13,199	65,121
Vehicle and transportation	34,951	13,563	-	48,514
Maintenance and repairs	46,042	-	-	46,042
Rent expense	-	37,937	-	37,937
Office expenses	13,741	11,574	11,416	36,731
Dues, subscriptions, and website	-	11,987	7,013	19,000
Travel and entertainment	1,787	13,346	161	15,294
Telephone	7,465	7,002	-	14,467
Bank charges and merchant fees	3,227	-	9,303	12,530
Taxes and licenses	3,429	4,142	-	7,571
Advertising	7,380	-	155	7,535
Events	6,742	-	-	6,742
Conferences and training	343	2,285	-	2,628
Other expenses	-	1,753	-	1,753
	<u>\$ 1,603,154</u>	<u>\$ 324,036</u>	<u>\$ 493,791</u>	<u>\$ 2,420,981</u>

The accompanying notes are an integral part of these financial statements

BREAD OF LIFE MISSION

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2022

	Program Services	Management and General	Fundraising	Total
Payroll, payroll taxes, and benefits	\$ 344,689	\$ 111,712	\$ 63,388	\$ 519,789
In-kind donations	451,019	-	-	451,019
Newsletters and mailings	-	-	331,127	331,127
Depreciation	143,210	3,990	591	147,791
Utilities	77,063	-	-	77,063
Shelter and other program costs	50,717	-	25	50,742
Insurance	53,622	5,512	-	59,134
Professional fees	4,662	23,619	15,157	43,438
Vehicle and transportation	25,116	7,326	-	32,442
Maintenance and repairs	38,150	-	-	38,150
Rent expense	-	36,869	-	36,869
Office expenses	7,668	16,417	4,798	28,883
Dues, subscriptions, and website	-	5,643	5,579	11,222
Travel and entertainment	871	8,253	96	9,220
Telephone	7,116	6,571	-	13,687
Bank charges and merchant fees	3,239	398	12,959	16,596
Taxes and licenses	38,358	1,984	-	40,342
Advertising	-	-	3,489	3,489
Events	3,499	-	-	3,499
Conferences and training	500	371	555	1,426
Other expenses	6,724	522	-	7,246
	<u>\$ 1,256,223</u>	<u>\$ 229,187</u>	<u>\$ 437,764</u>	<u>\$ 1,923,174</u>

The accompanying notes are an integral part of these financial statements

BREAD OF LIFE MISSION

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from grants, contributions, & bequests	\$ 1,931,710	\$ 1,662,446
Cash received from shelter operations	161,781	89,853
Cash received from investment income	97,007	67,743
Cash paid to employees and suppliers	<u>(1,496,840)</u>	<u>(1,340,949)</u>
Net cash provided by operating activities	<u>693,658</u>	<u>479,093</u>
Cash flows from investing activities:		
Net purchase of investments	(729,576)	(267,497)
Purchase of property and equipment	(43,305)	(173,198)
Insurance proceeds related to property and equipment	<u>-</u>	<u>6,796</u>
Net cash used by investing activities	<u>(772,881)</u>	<u>(433,899)</u>
 Net increase (decrease) in cash	 (79,223)	 45,194
 Cash, at beginning of year	 <u>431,206</u>	 <u>386,012</u>
 Cash, at end of year	 <u><u>\$ 351,983</u></u>	 <u><u>\$ 431,206</u></u>

The accompanying notes are an integral part of these financial statements

BREAD OF LIFE MISSION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

NOTE 1. **ORGANIZATION**

The Bread of Life Mission (the Mission) is a Washington 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.

NOTE 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed by the Mission are as follows:

Basis of Accounting and Presentation

The financial statements of the Mission have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Mission to report on the accrual basis of accounting and to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Mission. These net assets may be used at the discretion of the Mission's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Mission or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. All of the Mission's net assets with donor restrictions are temporary in nature.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Use of Estimates

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

BREAD OF LIFE MISSION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Mission considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. At June 30, 2023 and 2022, cash and cash equivalents consist of checking and savings accounts deposited with major financial institutions. At times, balances may exceed the federally insured limit. The Mission has not experienced any losses related to this 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 inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Mission reports its investments at fair value using Level 1 inputs.

Accounts and Grants Receivable

Receivables are stated at their outstanding principal balances. Management reviews the collectability of receivables on a periodic basis and determines the appropriate amount of any allowance. The Mission charges receivables off to the allowance when management determines that a receivable is not collectible. No allowance was considered necessary at June 30, 2023 or 2022. All receivable balances are due in less than one year.

Property and Equipment

Property and equipment are stated at cost or an amount approximating cost. Property and equipment with a life of at least one year, and a cost or donated fair value in excess of \$1,000, are capitalized and depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives are 25 years for building and improvements, and 5 years for equipment and vehicles.

BREAD OF LIFE MISSION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Mission receives revenue from grants, contributions, and shelter revenue. Revenue from these sources is recognized as follows:

Grants and contributions: Grants and contributions consist primarily of unconditional promises to give. Unconditional promises to give are recognized as revenue in the period the promise is made. Conditional promises to give are not recognized as support until the conditions are substantially met.

Bequests: Bequest revenue is recognized when the Mission is informed that it will receive a bequest and the amount to be received is known. The Mission does not recognize bequest revenue until the passing of the donor.

Shelter revenue: Shelter revenue is the result of exchange transactions for meals, lodging, and related items. Revenue from exchange transactions is recognized in the period the service for the exchanged benefit is performed. If payment is received in advance of services being performed, deferred revenue is recorded. There was no deferred revenue at the beginning or end of the years ended June 30, 2023 or 2022.

Donated Goods 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.

The Mission receives donated food, clothing, and other goods which have been included in the accompanying statement of activities at their estimated fair values as required by generally accepted accounting principles. The value of donated food is calculated using a set rate per pound received. During the year ended June 30, 2023, the rates used were \$2.00 to \$7.98 per pound, depending on the source of the food received. During the year ended June 30, 2022, the rates used were \$1.67 to \$2.99 per pound, depending on the source of the food received. These donated goods are not monetized and are used in the Mission's programs during the year the assets are received.

Donated goods consist of the following during the years ended June 30:

	2023	2022
Food	\$ 590,604	\$ 442,250
Clothing and other items	10,091	8,769
	<u>\$ 600,695</u>	<u>\$ 451,019</u>

During the years ended June 30, 2023 and 2022, 97% and 96%, respectively, of donated goods were received from one nonprofit organization which supplies food from various sources to food banks and shelters.

BREAD OF LIFE MISSION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

Advertising costs are expensed as incurred. For the years ended June 30, 2023 and 2022, advertising costs were \$7,380 and \$3,489, respectively.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Individual expenses that solely relate to one program or supporting service are allocated in full to that category. Expenses that relate to multiple programs or supporting services are allocated as follows:

Payroll, payroll taxes, and benefits – employee time and effort.

Depreciation – use of the underlying assets.

Telephone – location of phone lines.

Income Tax Status

The Mission is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Mission qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Mission has determined there are no uncertain tax positions for the years ended June 30, 2023 and 2022, and the accompanying financial statements contain no interest or penalties with respect to federal income taxes. The Mission's federal income tax returns remain open for examination to the extent prescribed by the Internal Revenue Code.

BREAD OF LIFE MISSION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Mission's liquidity and availability at June 30:

Financial assets at year end:	2023	2022
Cash and cash equivalents	\$ 351,983	\$ 431,206
Investments	2,604,502	1,802,609
Accounts and grants receivable	12,310	5,251
Total financial assets	2,968,795	2,239,066
Less amounts not available to be used for general purposes within one year:		
Net assets with donor restrictions	109,827	107,908
	109,827	107,908
Financial assets available to meet general expenditures over the next twelve months	\$ 2,858,968	\$ 2,131,158

The Mission's goal is generally to maintain financial assets to meet 2 to 3 months of operating expenses (approximately \$325,000 to \$485,000). 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.

NOTE 4. INVESTMENTS

Investments consist of the following at June 30:

	2023	2022
Bond mutual funds	\$ 1,626,163	\$ 1,216,369
Equity mutual funds	729,501	464,942
Exchange traded funds	97,347	106,143
Cash and cash equivalents	151,491	15,155
	\$ 2,604,502	\$ 1,802,609

Investment income consists of the following for the years ended June 30:

	2023	2022
Dividends and interest	\$ 97,007	\$ 67,743
Realized and unrealized gains (losses)	72,317	(274,966)
	\$ 169,324	\$ (207,223)

BREAD OF LIFE MISSION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2023	2022
Land	\$ 25,000	\$ 25,000
Buildings and improvements	2,385,688	2,366,064
Office and other equipment	534,252	541,819
Vehicles	120,864	163,492
	<u>\$ 3,065,804</u>	<u>\$ 3,096,375</u>
Accumulated depreciation	<u>(2,122,612)</u>	<u>(2,044,885)</u>
	<u><u>\$ 943,192</u></u>	<u><u>\$ 1,051,490</u></u>

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Life Change Program property purchase	\$ 105,000	\$ 105,000
Mattresses	2,623	-
Building renovations	2,204	2,204
Life Change Program	-	389
Day/night shelter	-	315
	<u>\$ 109,827</u>	<u>\$ 107,908</u>

Net assets released from net assets with donor restrictions were used for the following purposes during the years ended June 30:

	2023	2022
Life Change Program	\$ 389	\$ -
Day/night shelter	315	25,000
Building renovations	-	25,000
	<u>\$ 704</u>	<u>\$ 50,000</u>

NOTE 7. EMPLOYEE BENEFIT PLAN

The Mission participates in a retirement plan for its ministerial and other personnel. During the years ended June 30, 2023 and 2022, the Mission made retirement contributions of \$42,700 and \$7,200, respectively, on behalf of eligible employees, including amounts accrued as of June 30, 2023 for a retirement severance package.

BREAD OF LIFE MISSION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8. OPERATING LEASES

On October 19, 2022, the Mission signed an operating lease amendment agreement to extend the lease term of their office space for three years, through November 30, 2025. Monthly rent under the lease amendment is as follows:

December 1, 2022 to November 30, 2023	\$3,106.50
December 1, 2023 to November 30, 2024	\$3,199.69
December 1, 2024 to November 30, 2025	\$3,295.68

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of June 30, 2023:

Operating lease right of use assets	\$ 88,274
Operating lease liabilities	88,933

The lease does not provide an implicit rate. The Mission used the risk-free rate at the commencement date of the lease in determining the present value of future lease payments. The implicit rate is 3.98% per annum.

Maturities of the lease liabilities are as follows for the years ended June 30:

2024	\$ 37,930
2025	39,068
2026	16,478
Total lease payments	93,476
Less: interest	(4,543)
Present value of lease liabilities	<u>\$ 88,933</u>

NOTE 9. CHANGE IN ACCOUNTING PRINCIPLES

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018-11, Leases (Topic 842): Targeted Improvements; ASU 2019-01, Leases (Topic 842): Codification Improvements; and ASU 2021-09, Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

BREAD OF LIFE MISSION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 9. CHANGE IN ACCOUNTING PRINCIPLES (continued)

The Mission elected to adopt these ASUs effective July 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the Mission's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of right of use assets and lease liabilities for operating leases. Adoption of the standard required the Mission to restate amounts as of the beginning of the earliest period presented or the beginning of the year of adoption. The Mission's office lease in effect on July 1, 2022 terminated on November 30, 2022 and the effect of implementing the standard as of July 1, 2022 was immaterial. The Mission implemented the new standard upon the start of the new lease on December 1, 2022.

NOTE 10. SUBSEQUENT EVENTS

The Mission has evaluated subsequent events through the date these financial statements were available to be issued, which was March 21, 2024.