

BREAD OF LIFE MISSION

---

FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

## **TABLE OF CONTENTS**

	<u>Pages</u>
INDEPENDENT AUDITOR’S REPORT .....	1-2
FINANCIAL STATEMENTS:	
Statements of Financial Position.....	3
Statements of Activities and Net Assets .....	4-5
Statements of Functional Expenses .....	6-7
Statements of Cash Flows.....	8
Notes to the Financial Statements.....	9-15



**LUBY & THOMSON, PLLC**  
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

11911 Northeast 1<sup>st</sup> Street, Suite 304, Bellevue, Washington 98005  
(206) 628-4991 Fax (206) 682-3977

## **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, 2024 and 2023, 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, 2024 and 2023, 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  
July 24, 2025

# BREAD OF LIFE MISSION

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2024 AND 2023

### ASSETS

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 308,387	\$ 351,983
Investments	3,163,498	2,604,502
Accounts and grants receivable	2,262	12,310
Prepaid expenses	28,828	8,297
Total current assets	<u>3,502,975</u>	<u>2,977,092</u>
 Property and equipment, net	 837,636	 943,192
Operating lease right of use assets	52,777	88,274
Office deposit	<u>2,147</u>	<u>2,147</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 4,395,535</u></u>	 <u><u>\$ 4,010,705</u></u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 106,824	\$ 38,484
Accrued liabilities	53,997	174,482
Operating lease liabilities - current portion	<u>37,597</u>	<u>35,020</u>
Total current liabilities	<u>198,418</u>	<u>247,986</u>
 Operating lease liabilities, net of current portion	 <u>16,316</u>	 <u>53,913</u>
Total liabilities	<u>214,734</u>	<u>301,899</u>
 <b>NET ASSETS</b>		
Without donor restrictions	4,070,974	3,598,979
With donor restrictions	<u>109,827</u>	<u>109,827</u>
Total net assets	<u>4,180,801</u>	<u>3,708,806</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 4,395,535</u></u>	 <u><u>\$ 4,010,705</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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 1,341,008	\$ -	\$ 1,341,008
In-kind contributions	824,378	-	824,378
Bequests	470,877	-	470,877
Shelter revenue	141,027	-	141,027
Loss on disposal of fixed assets	(1,067)	-	(1,067)
Investment income	325,772	-	325,772
	<u>3,101,995</u>	<u>-</u>	<u>3,101,995</u>
Net assets releases:			
Satisfaction of restriction	<u>-</u>	<u>-</u>	<u>-</u>
 Total support and revenue	 <u>3,101,995</u>	 <u>-</u>	 <u>3,101,995</u>
<b>EXPENSES</b>			
Program services			
Program and community outreach expenses	1,028,607	-	1,028,607
In-kind donations	824,378	-	824,378
Total program expenses	<u>1,852,985</u>	<u>-</u>	<u>1,852,985</u>
Management and general	279,339	-	279,339
Fundraising	497,676	-	497,676
Total expense	<u>2,630,000</u>	<u>-</u>	<u>2,630,000</u>
 CHANGE IN NET ASSETS	 471,995	 -	 471,995
<b>NET ASSETS</b>			
Beginning of the year	3,598,979	109,827	3,708,806
End of the year	<u>\$ 4,070,974</u>	<u>\$ 109,827</u>	<u>\$ 4,180,801</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
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 1,815,625	\$ 2,623	\$ 1,818,248
In-kind contributions	600,695	-	600,695
Bequests	113,462	-	113,462
Shelter revenue	168,840	-	168,840
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>
<b>EXPENSES</b>			
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
<b>NET ASSETS</b>			
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 FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Total
Payroll, payroll taxes, and benefits	\$ 516,096	\$ 130,169	\$ 74,086	\$ 720,351
In-kind donations	824,378	-	-	824,378
Newsletters and mailings	-	-	352,920	352,920
Depreciation	132,464	3,691	547	136,702
Utilities	103,734	-	-	103,734
Insurance	82,311	-	-	82,311
Shelter and other program costs	64,093	48	883	65,024
Professional fees	10,191	44,648	7,271	62,110
Office expenses	15,362	13,723	28,852	57,937
Maintenance and repairs	44,748	8	-	44,756
Rent expense	-	28,925	9,483	38,408
Vehicle and transportation	32,337	4,902	441	37,680
Dues, subscriptions, and website	1,636	13,167	9,270	24,073
Executive Director transition	-	18,060	-	18,060
Bank charges and merchant fees	3,196	1,761	8,154	13,111
Conferences and training	6,831	2,678	3,315	12,824
Telephone	5,586	6,797	-	12,383
Travel and entertainment	1,207	3,825	574	5,606
Taxes and licenses	3,444	1,458	60	4,962
Events	4,108	-	-	4,108
Advertising	1,263	238	1,770	3,271
Bad debt	-	990	-	990
Other expenses	-	4,251	50	4,301
	<u>\$ 1,852,985</u>	<u>\$ 279,339</u>	<u>\$ 497,676</u>	<u>\$ 2,630,000</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
Insurance	63,734	4,437	-	68,171
Shelter and other program costs	78,655	-	-	78,655
Professional fees	6,582	45,340	13,199	65,121
Office expenses	13,741	11,574	11,416	36,731
Maintenance and repairs	46,042	-	-	46,042
Rent expense	-	37,937	-	37,937
Vehicle and transportation	34,951	13,563	-	48,514
Dues, subscriptions, and website	-	11,987	7,013	19,000
Bank charges and merchant fees	3,227	-	9,303	12,530
Conferences and training	343	2,285	-	2,628
Telephone	7,465	7,002	-	14,467
Travel and entertainment	1,787	13,346	161	15,294
Taxes and licenses	3,429	4,142	-	7,571
Events	6,742	-	-	6,742
Advertising	7,380	-	155	7,535
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

---

STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<b>Cash flows from operating activities:</b>		
Cash received from grants, contributions, & bequests	\$ 1,811,885	\$ 1,931,710
Cash received from shelter operations	151,075	161,781
Cash received from investment income	134,627	97,007
Cash paid to employees and suppliers	(1,741,119)	(1,496,840)
Net cash provided by operating activities	<u>356,468</u>	<u>693,658</u>
<b>Cash flows from investing activities:</b>		
Net purchase of investments	(367,851)	(729,576)
Purchase of property and equipment	(32,213)	(43,305)
Net cash used by investing activities	<u>(400,064)</u>	<u>(772,881)</u>
Net increase (decrease) in cash	(43,596)	(79,223)
Cash, at beginning of year	<u>351,983</u>	<u>431,206</u>
Cash, at end of year	<u>\$ 308,387</u>	<u>\$ 351,983</u>

The accompanying notes are an integral part of these financial statements

## BREAD OF LIFE MISSION

---

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

#### 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, 2024 AND 2023

#### **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, 2024 and 2023, 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, 2024 or 2023. 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, 2024 AND 2023

### 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, 2024 or 2023. During the year ended June 30, 2024, the Mission ceased charging fees for shelter activities.

#### 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, 2024, all food was valued at \$2.00 per pound. 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. 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:

	2024	2023
Food	\$ 824,378	\$ 590,604
Clothing and other items	-	10,091
	<u>\$ 824,378</u>	<u>\$ 600,695</u>

During the years ended June 30, 2024 and 2023, 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.

BREAD OF LIFE MISSION

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Advertising

Advertising costs are expensed as incurred. For the years ended June 30, 2024 and 2023, advertising costs were \$3,271 and \$7,535, 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, 2024 and 2023, 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, 2024 AND 2023

### NOTE 3. AVAILABILITY AND LIQUIDITY

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

Financial assets at year end:	2024	2023
Cash and cash equivalents	\$ 308,387	\$ 351,983
Investments	3,163,498	2,604,502
Accounts and grants receivable	2,262	12,310
Total financial assets	3,474,147	2,968,795
Less amounts not available to be used for general purposes within one year:		
Net assets with donor restrictions	109,827	109,827
	109,827	109,827
Financial assets available to meet general expenditures over the next twelve months	\$ 3,364,320	\$ 2,858,968

The Mission's goal is generally to maintain financial assets to meet 2 to 3 months of operating expenses (approximately \$410,000 to \$620,000 based on the budget for the year ended June 30, 2025). The Mission's goal is significantly exceeded at June 30, 2024. 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:

	2024	2023
Bond mutual funds	\$ 2,183,852	\$ 1,626,163
Equity mutual funds	862,751	729,501
Exchange traded funds	97,580	97,347
Cash and cash equivalents	19,315	151,491
	\$ 3,163,498	\$ 2,604,502

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

	2024	2023
Dividends and interest	\$ 134,627	\$ 97,007
Realized and unrealized gains (losses)	191,145	72,317
	\$ 325,772	\$ 169,324

# BREAD OF LIFE MISSION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

### NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2024	2023
Land	\$ 25,000	\$ 25,000
Buildings and improvements	2,404,740	2,385,688
Office and other equipment	544,615	534,252
Vehicles	120,864	120,864
	<u>\$ 3,095,219</u>	<u>\$ 3,065,804</u>
Accumulated depreciation	<u>(2,257,583)</u>	<u>(2,122,612)</u>
	<u><u>\$ 837,636</u></u>	<u><u>\$ 943,192</u></u>

### NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Life Change Program property purchase	\$ 105,000	\$ 105,000
Mattresses	2,623	2,623
Building renovations	2,204	2,204
	<u>\$ 109,827</u>	<u>\$ 109,827</u>

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

	2024	2023
Life Change Program	\$ -	\$ 389
Day/night shelter	-	315
	<u>\$ -</u>	<u>\$ 704</u>

### NOTE 7. EMPLOYEE BENEFIT PLAN

The Mission participates in a retirement plan for its personnel. During the years ended June 30, 2024 and 2023, the Mission made retirement contributions of \$9,000 and \$42,700, 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, 2024 AND 2023

### 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:

	<u>2024</u>	<u>2023</u>
Operating lease right of use assets	\$ 52,777	\$ 88,274
Operating lease liabilities - current portion	37,597	35,020
Operating lease liabilities, net of current portion	16,316	53,913

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:

2025	\$ 39,068
2026	16,478
Total lease payments	<u>55,546</u>
Less: interest	(1,633)
Less: current portion	<u>(37,597)</u>
Present value of lease liabilities	<u>\$ 16,316</u>

### NOTE 9. SUBSEQUENT EVENTS

The Mission has evaluated subsequent events through the date these financial statements were available to be issued, which was July 24, 2025.

In January 2025 and February 2025, the Mission signed new lease agreements for the office lease discussed in Note 8. The new lease agreements extended the term through November 30, 2026 and added additional square footage to the leased space. Under the terms of the new agreements, monthly base rent was increased to \$5,900 per month. The disclosures in Note 8 have not been updated for lease amendments occurring after June 30, 2024.