MISSION OF DEEDS, INC.
Financial Statements
December 31, 2023 and 2022
With Independent Auditor's Report

withum
ADVISORY TAX AUDIT

Mission Of Deeds, Inc.
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December 31, 2023 and 2022

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ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mission of Deeds, Inc.:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Mission of Deeds, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2023 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 Mission of Deeds, Inc. as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Mission of Deeds, Inc. 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 GAAP, 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 Mission of Deeds, Inc.'s ability to continue as a going concern for 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 GAAS 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.

In performing an audit in accordance with GAAS, 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 Mission of Deeds, Inc.'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 Mission of Deeds, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Mission of Deeds, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December, 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Withum Smith + Brown, PC

August 7, 2024

Mission of Deeds, Inc.
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and equivalents	$ 846,942	$ 733,406
Investments	1,840,022	1,597,742
Unconditional promises to give	13,000	-
Total current assets	2,699,964	2,331,148
Property and equipment, net	94,944	114,062
Other assets		
Unconditional promises to give, net of current portion	11,133	-
Right-of-use-asset, operating, net	223,581	285,513
Total other assets	234,714	285,513
Total assets	$ 3,029,622	$ 2,730,723
Liabilities and Net Assets		
Current liabilities		
Current portion of lease liability - operating	$ 62,962	$ 62,105
Accounts payable	12,864	13,117
Accrued expenses	3,206	5,320
Total current liabilities	79,032	80,542
Long-term liability		
Lease liability - operating, net of current portion	161,228	224,189
Total liabilities	240,260	304,731
Net assets		
Without donor restrictions	2,311,905	1,981,080
With donor restrictions	477,457	444,912
Total net assets	2,789,362	2,425,992
Total liabilities and net assets	$ 3,029,622	$ 2,730,723

The Notes to Financial Statements are an integral part of these statements.

Mission of Deeds, Inc.
Statements of Activities and Change in Net Assets
Years Ended December 31, 2023 and 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenues				
Contributions of financial assets	$ 561,097	$ -	$ 561,097	$ 590,340
Grants	493,770	24,133	517,903	454,872
Fundraising events	267,650	-	267,650	125,227
Contributions of non-financial assets	348,377	-	348,377	360,848
Net assets released from restriction	17,999	(17,999)	-	-
Total support and revenues	1,688,893	6,134	1,695,027	1,531,287
Expenses				
Program services	1,393,958	-	1,393,958	1,144,964
Management services	83,778	-	83,778	108,094
Fundraising	124,149	-	124,149	93,944
Total expenses	1,601,885	-	1,601,885	1,347,002
Non-operating activity				
Other income and expenses	11,043	-	11,043	-
Investment income (loss)	232,774	26,411	259,185	(247,602)
Total non-operating activity	243,817	26,411	270,228	(247,602)
Change in net assets	330,825	32,545	363,370	(63,317)
Net assets				
Beginning of year	1,981,080	444,912	2,425,992	2,489,309
End of year	$ 2,311,905	$ 477,457	$ 2,789,362	$ 2,425,992

The Notes to Financial Statements are an integral part of these statements.

Mission of Deeds, Inc.
Statement of Functional Expenses
Years Ended December 31, 2023 and 2022

	2023				2022
	Program Services	Management and General	Fundraising	Total	Total
Payroll salaries and wages	$ 366,119	$ 42,083	$ 12,625	$ 420,827	$ 338,125
In-kind furniture	348,377	-	-	348,377	360,848
Beds program	299,804	-	-	299,804	223,054
Fundraising events	-	-	106,846	106,846	57,925
Food gift cards program	106,295	-	-	106,295	82,918
Lease	58,853	6,539	-	65,392	65,549
Telephone and information technology	33,738	3,749	-	37,487	21,911
Payroll taxes	25,363	8,355	3,581	37,299	31,083
Repairs and maintenance	29,973	3,330	-	33,303	11,689
Depreciation	25,503	2,834	-	28,337	27,656
Kitchen and household essentials program	27,065	-	-	27,065	13,840
Coats program	18,099	-	-	18,099	19,816
Property taxes	12,738	1,415	-	14,153	14,491
Professional fees	-	10,936	-	10,936	7,750
Utilities	9,113	1,013	-	10,126	9,441
Volunteer expenses	9,877	-	-	9,877	10,901
Insurance	8,065	896	-	8,961	7,474
Employee benefits	5,337	1,758	753	7,848	-
Office expenses	6,431	714	-	7,145	1,747
Payroll service	2,628	156	344	3,128	5,227
Vehicle costs	580	-	-	580	23,568
Miscellaneous	-	-	-	-	11,989
	$ 1,393,958	$ 83,778	$ 124,149	$ 1,601,885	$ 1,347,002

The Notes to Financial Statements are an integral part of these statements.

Mission of Deeds, Inc.
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Operating activities		
Change in net assets	$ 363,370	$ (63,317)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Right-of-use asset- operating	(172)	781
Depreciation	28,337	27,656
Discount on unconditional promises to give	1,867	-
Realized and unrealized (gain) loss on investments	(237,485)	249,646
Changes in assets and liabilities		
Unconditional promise to give	(26,000)	10,000
Accounts payable	(253)	13,117
Accrued expenses	(2,114)	-
Net adjustments	(235,820)	301,200
Net cash provided by operating activities	127,550	237,883
Investing activities		
Purchase of property and equipment	(9,219)	-
Proceeds from sale of investments	-	172,386
Purchase of investments	(4,795)	(466,530)
Net cash used In investing activities	(14,014)	(294,144)
Net change in cash and cash equivalents	113,536	(56,261)
Cash and cash equivalents		
Beginning of year	733,406	789,667
End of year	$ 846,942	$ 733,406

The Notes to Financial Statements are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Mission of Deeds, Inc.'s (the "Organization") purpose is to purchase and collect household goods and give them to individuals and families in need. The Organization is located in Reading, a suburb of Boston, and provides services in Middlesex, Essex and part of Suffolk Counties in Massachusetts.

Basis of Accounting

The accompanying financial statements have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Under the accrual basis, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial Statement Presentation

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

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 objectives of the Organization.

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

Restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without restrictions in the statements of activities. Restricted contributions in which the restrictions are met in the same year are reported as without donor restrictions revenue.

Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. 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, 2022, from which the summarized information was derived.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing purpose and the return earned on investments. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Fair Value of Financial Instruments

Promulgations of the Financial Accounting Standards Board ("FASB") have established a framework for measuring fair value, which provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities;

Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data;

Level 3 - Unobservable inputs that are not corroborated by market data.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments
Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in value are reported as investment return in the statement of activities.

Purchases and sales of investments are recorded on the trade date. The gain or loss on the sale of investments is determined using average cost and is recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Contributions
Contributions and grants are recognized as revenue when they are unconditional, usually when qualifying expenditures are incurred and other conditions under the agreement are met. Contributions and grants are conditional if there is a barrier that must be overcome before the recipient is entitled to the contribution and the donor has the right to request the funds back if they are not spent properly.

Unconditional contributions and grants 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 and grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions and grants with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions Receivable
Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue.

Conditional promises to give are not included as support until the conditions are met. As of December 31, 2023 and 2022, management has concluded an allowance for doubtful accounts is not required.

Use of Estimates
Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements.

Cash and Equivalents
For purposes of the statements of financial position and cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and equivalents.

Restricted Cash
The Organization's restricted cash consists of funds set aside for donor restrictions. As of December 31, 2023 and 2022, there was no cash with restrictions.

Financial Instruments
Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and equivalents and investments.

Investments are maintained at brokerage institutions. Exposure to credit risk is reduced by placing such deposits in high-quality financial institutions and insured brokerage houses. The carrying amounts of certain financial instruments, including cash and equivalents, approximate fair value as of December 31, 2023 because of the relatively short maturity of these instruments. The carrying amounts of investments are reported at market value. Unrealized gains and losses are included in the changes in net assets within the accompanying statement of activities.

Functional Allocation of Expenses
The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with specific program and support services are allocated directly according to the natural expenditure classification. Expenses not directly identified are allocated based upon time and effort and square footage.

Revenue Recognition
The Organization derives revenue from investments, donations, grants, in-kind contributions, and special events. The Organization's revenue and cash flows are correlated to the general conditions of the economy.

The principles in the standard should be applied using a five-step model that includes: 1) identifying the contract(s) with a customer, 2) identifying the performance obligations in the contract, 3) determining the transaction price, 4) allocating the transaction price to the performance obligations in the contract, and 5) recognizing revenue when (or as) the performance obligations are satisfied.

Special Event Revenue
The Organization has a golf tournament and other special events for the general public. The transaction price is the consideration that the Organization expects to receive for the entrance fee and sponsorships. The Organization collects payment at the time of registration, or shortly thereafter. The Organization considers the performance obligation to be the event and recognizes revenue at the time that the event occurs.

Contract liabilities represent payments the Organization receives in advance of the event. Contract liabilities are presented in the Statements of financial position as unearned revenue, if applicable, and are recognized as income in the period in which the event takes place. As od December 31, 2023, 2022 and 2021 there are no contract assets or liabilities.

In-Kind Contributions of Non-Financial Assets
In-kind goods and services contributed are recorded as contributions of non-financial assets at their fair market value on the date of receipt. The related expenses or assets are also recorded depending on the form of benefits received.

Property and Equipment
Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Description	Estimated Life (Years)
Vehicles	5 years
Furniture and machinery equipment	5 to 10 years
Leasehold Improvements	shorter of lease term or useful life

Advertising
The Organization charges the cost to advertising expense as incurred.

Income Tax Status
The Organization. is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. As a not-for-profit entity exempt from income taxes, the Foundation may, however, be subject to tax on unrelated business income.

GAAP requires an entity to assess the probability that a tax position has a more likely than not ("MLTN") sustainability after review by tax authorities. If a tax position is deemed not to meet this threshold, any unrecognized tax benefits and costs are estimated and recognized. Tax returns are routinely open for review by the tax authorities for three years from their due date. In certain circumstances, the statute of limitations may remain open indefinitely.

As a not-for-profit entity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, the Organization may, however, be subject to tax on unrelated business income.

Endowment Funds
Massachusetts law requires not-for-profit organizations and other entities that receive donor contributions to operate in conformity with its enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

In the absence of overriding explicit donor stipulations, UPMIFA prescribes guidelines for expenditures of donor-restricted funds and focuses on the prudent spending of the entire donor- restricted fund, including accumulated earnings, rather than the historical dollar concept. UPMIFA's requirement that amounts may be appropriated for expenditure only after careful consideration of the seven factors outlined in its spending guidelines is bolstered by its intent to have the governing board of the organization make its decisions in light of the donor's intended purpose of the endowment fund, stipulated or otherwise.

UPMIFA requires donor-restricted funds to be classified in accordance with their restrictions. Gains on endowment funds and other amounts permitted to be disbursed in accordance with the donor's stipulations must be classified as net assets with donor restrictions until approved for expenditure by the Organization. Earnings on endowment funds that have not yet been specifically approved for expenditure, but will be, must be classified as net assets with donor restrictions until approved for expenditure by the Organization.

The Organization's Board of Directors classifies donor-restricted funds and earnings thereon in accordance with applicable state law as interpreted by the Attorney General.

Endowment fund assets are appropriated for expenditure in accordance with the directions and/or intent of the donor. The Organization's investment policy for endowment funds is intended to preserve capital to the extent possible and provide a reasonably predictable stream of revenue to provide appropriate funding to the programs supported by endowment funds.

From time to time, the fair values of endowment fund assets may, due to unfavorable market fluctuations, fall below the level that donors require to be retained for a perpetual duration. The decline below the required perpetual duration, commonly referred to as "underwater", is reported as losses within net assets with donor restrictions.

The Board of Directors has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2023, the Organization had one underwater endowment totaling $939. As of December 31, 2022, the Organization had two underwater endowments totaling $27,350.

	2023	2022
Original Endowment	$ 150,000	$ 255,000
Fair value of Endowment Fund	149,061	227,650
Deficiency	$ 939	$ 27,350

Leases

The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow us to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the balance sheet. The Organization had no finance leases during 2023 and 2022.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, we account for these other services as a component of the lease. For all other leases, the services are accounted for separately and we allocate payments to the lease and other services components based on estimated stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments, reduced by landlord incentives, using a risk-free rate of similar term investments. Right-of-use assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

2. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are discounted at 5% and consist of the following at December 31:

	2023	2022
Due in 1 year	$ 13,000	$ -
Due in 2-5 years	13,000	-
Total	26,000	-
Less: Discount to net present value	1,867	-
Present value of unconditional promises to give	24,133	-
Less: Current unconditional promises to give	13,000	-
Unconditional promises to give, net of current portion	$ 11,133	$ -

3. INVESTMENTS

Promulgations of the Financial Accounting Standards Board have established a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Mutual funds are carried at fair value based on quoted prices in active markets (Level 1 measurements) and certificates of deposit are carried at initial investment plus accrued interest based on observable market-based inputs or unobservable inputs that are corroborated by market data (Level 2 measurements).

Investments consist of the following at December 31:

	2023	2022
Stock mutual funds	$ 1,043,953	$ 841,642
Bond mutual funds	584,324	549,707
Certificates of deposit	211,745	206,393
	$ 1,840,022	$ 1,597,742

4. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, is as follows:

	2023	2022
Vehicles	$ 56,934	$ 56,934
Office furniture and equipment	44,893	35,674
Leasehold improvements	398,927	398,927
	500,754	491,535
Less: Accumulated depreciation	405,810	377,473
	$ 94,944	$ 114,062

5. ENDOWMENT

Changes in endowment net assets for the years ended December 31, 2023 and 2022 are as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment net assets, beginning of year	$ 17,332	$ 402,650	$ 419,982
Investment return	48,739	26,411	75,150
Investment net assets, end of year	$ 66,071	$ 429,061	$ 495,132

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment net assets, beginning of year	$ 78,167	$ 430,000	$ 508,167
Investment return	(60,835)	(27,350)	(88,185)
Investment net assets, end of year	$ 17,332	$ 402,650	$ 419,982

6. NET ASSETS

Net Assets Without Restrictions

Net assets without donor restrictions comprise the receipt of funds relating to activities the Organization engages in that are not restricted in nature, and gains on endowed net assets.

Net assets without restrictions consist of the following for the years ended December 31:

	2023	2022
Building fund (board designated)	$ 36,198	$ 64,098
Undesignated	2,275,707	1,916,982
	$ 2,311,905	$ 1,981,080

Net Assets with Restrictions
Net assets with restrictions consist of the following for the years ended December 31:

	2023	2022
Coats program (for purpose)	$ 24,263	$ 42,262
Promises to give (for passage of time)	24,133	-
Endowment (for perpetuity)	429,061	402,650
	$ 477,457	$ 444,912

Net Assets Released from Restrictions
Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the purpose specified by donors for the years ended December 31:

	2023	2022
Coats program (for purpose)	$ 17,999	$ 19,816
Promises to give (for passage of time)	-	10,000
	$ 17,999	$ 29,816

7. LEASES

The Organization leases its operating and office facilities under a long-term, noncancelable operating lease agreement. The leases expire at various dates through 2027.

Because the rates implicit in the lease are generally not available, the Organization utilizes its risk-free rate as the discount rate.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2023:

2024	$ 65,564
2025	65,564
2026	65,564
2027	36,240
Less: Imputed interest	(8,742)
Lease liability at December 31, 2023	$ 224,190

Lease expense for the year ended December 31, 2023 and 2022 is comprised of operating lease expense of $65,392 and $65,549, respectively.

Cash paid for amounts included in the measurement of lease liabilities for operating leases totaled $65,392 and $64,609 for the year ended December 31, 2023 and 2022, respectively.

The weighted average remaining lease term associated with the operating leases as of December 31, 2023 and 2022 is 3.5 years and 5 years, respectively. The weighted average discount rate associated with the operating leases is 1.37% as of December 31, 2023 and 2022. The discount rate was derived from the risk-free rate of debt of similar term length.

8. CONTRIBUTION OF NONFINANCIAL ASSETS

During the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included:

	2023	2022
Clothing	$ 12,909	$ 2,496
Home Décor	39,380	9,244
Furniture	204,641	192,989
Other Furniture	91,447	156,119
	$ 348,377	$ 360,848

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Furniture and other departmental items are generally not restricted by the donor. Fair value of the furniture is determined by the donor in conjunction with Organizations personnel. The fair value of these goods are determined by valuation guidelines published by the Salvation Army.

9. RELATED PARTY TRANSACTIONS

During 2009, the Organization signed a three-year operating lease for its facilities with a related party requiring monthly payments of $5,000 plus a pro-rata share of operating costs. The lease contains three five-year extensions through June 30, 2027. During 2022, the Organization exercised its third option to extend the lease. Under this option, monthly payments of $5,464 plus the buildings property taxes totaling $14,153 and $14,491 for the years ended December 31, 2023 and 2022, respectively. For the years ended December 31,2023 and 2022, related party lease payments totaled $65,392 and $64,609, respectively.

10. AVAILABILITY AND LIQUIDITY

	2023	2022
Financial assets at year-end		
Cash and equivalents	$ 846,942	$ 733,406
Unconditional promises to give	24,133	-
Investments	1,840,022	1,597,742
	2,711,097	2,331,148
Less: Amounts not available to be used within one year		
Board designated net assets	36,198	64,098
Net assets with donor restrictions	477,457	444,912
	513,655	509,010
Financial assets available to meet general expenditures within one year	$ 2,197,442	$ 1,822,138

The Organization reviews its cash position on a regular basis to ensure that adequate funds are on hand to meet expenses. If funds are needed for expenses, management can liquidate its investments or request that the Board un-designate previously designated assets. For the years ended December 31, 2023 and 2022, management believes that the Organization has no liquidity issues.

11. CONCENTRATIONS, RISKS AND UNCERTAINTIES

Cash

The Organizations have significant cash balances at financial institutions which throughout the year regularly exceeds the federally insured limit of $250,000. Any loss incurred or a lack of access to such funds could have a significant impact on the Organization's financial condition, result of operations, and cash flows. As of December 31, 2023 and 2022, amounts exceeding the federally insured limits for the Organizations were insured by the Share Insurance fund.

Uncertainties

The Organization is highly dependent on donor contributions and fundraising efforts. Although management believes that it will have sufficient funds to meet its operating expenses for the remainder of the fiscal year between funds already available and promised grants, there is no guarantee that their grants and fundraising activities will continue into future years.

12. MANAGEMENT'S ACCEPTANCE OF THE FINANCIAL STATEMENTS

Subsequent Events

Management has evaluated subsequent events through August 7, 2024, the date for which the financial statements were available for issuance. Management accepted the financial statements and did not identify any events subsequent to December 31, 2023 requiring disclosure in the financial statements.