

**Mission of Deeds, Inc.
Financial Statements
December 31, 2024 and 2023
With Independent Auditor's Report**

Mission of Deeds, Inc.
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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Mission of Deeds, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of Mission of Deeds, Inc. as of December 31, 2024, 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 ("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 the Mission of Deeds, Inc. 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.

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 Organization's ability to continue as a going concern within one year after the date 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 the Organization'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 Organization'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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 7, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink that reads "Withum Smith & Brown, PC".

August 29, 2025

Mission of Deeds, Inc.
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 1,216,461	\$ 846,942
Unconditional promises to give	12,368	13,000
Investments	1,905,159	1,840,022
Prepaid expenses	4,423	-
Total current assets	<u>3,138,411</u>	<u>2,699,964</u>
 Property and equipment, net	 127,330	 94,944
 Other assets		
Right-of-use assets, operating leases	160,794	223,581
Unconditional promises to give, net of current portion	-	11,133
Total other assets	<u>160,794</u>	<u>234,714</u>
Total assets	<u><u>\$ 3,426,535</u></u>	<u><u>\$ 3,029,622</u></u>
 Liabilities and Net Assets		
Current liabilities		
Current portion of lease liabilities - operating	63,830	62,962
Accounts payable	36,844	12,864
Accrued expenses	3,206	3,206
Total accounts payable and accrued expenses	<u>40,050</u>	<u>16,070</u>
Total current liabilities	<u>103,880</u>	<u>79,032</u>
 Operating lease liabilities, net of current portion	 97,398	 161,228
Total liabilities	<u>201,278</u>	<u>240,260</u>
 Net assets		
Without donor restrictions	2,712,159	2,311,905
With donor restrictions	513,098	477,457
Total net assets	<u>3,225,257</u>	<u>2,789,362</u>
Total liabilities and net assets	<u><u>\$ 3,426,535</u></u>	<u><u>\$ 3,029,622</u></u>

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

Mission of Deeds, Inc.
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2024 and 2023

	2024			2023	
	Without Donor Restriction	With Donor Restriction	Total	Total	
Support and revenues					
Contribution of financial assets	\$ 508,679	\$ -	\$ 508,679	\$ 561,097	
Grants	671,273	26,592	697,865	517,903	
Fundraising events	168,858	-	168,858	267,650	
Contributions of non-financial assets	492,889	-	492,889	348,377	
Net assets released from restriction	18,301	(18,301)	-	-	
Total support and revenues	1,860,000	8,291	1,868,291	1,695,027	
Expenses					
Program services	1,510,560	-	1,510,560	1,393,958	
Management and general	104,165	-	104,165	83,778	
Fundraising	90,620	-	90,620	124,149	
Total expenses	1,705,345	-	1,705,345	1,601,885	
Non-operating activities					
Other income and expenses	-	-	-	11,043	
Investment return, net	245,599	27,350	272,949	259,185	
Total non-operating activities	245,599	27,350	272,949	270,228	
Changes in net assets	400,254	35,641	435,895	363,370	
Net assets					
Beginning of year	2,311,905	477,457	2,789,362	2,425,992	
End of year	\$ 2,712,159	\$ 513,098	\$ 3,225,257	\$ 2,789,362	

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

Mission of Deeds, Inc.
Statements of Functional Expenses
Years Ended December 31, 2024 and 2023

	2024				2023
	Program Services	Management and General	Fundraising	Total	Total
In-kind furniture	\$ 492,889	\$ -	\$ -	\$ 492,889	\$ 348,377
Compensation	403,063	46,329	13,899	463,291	420,827
Beds program	324,448	-	-	324,448	299,804
Fundraising events	-	-	71,384	71,384	108,846
Lease	58,850	6,539	-	65,389	65,392
Payroll taxes	25,888	8,528	3,654	38,070	37,299
Repairs and maintenance	33,675	3,742	-	37,417	33,303
Depreciation	31,356	3,484	-	34,840	28,337
Kitchen and household essentials program	28,598	-	-	28,598	27,065
Professional fees	-	26,312	-	26,312	10,936
Miscellaneous	21,291	-	-	21,291	-
Telephone and information technology	18,428	2,047	-	20,475	37,487
Property taxes	15,605	1,734	-	17,339	14,153
Insurance	10,916	1,213	-	12,129	8,961
Employee benefits	8,215	2,706	1,160	12,081	7,848
Utilities	9,121	1,013	-	10,134	10,126
Vehicle costs	8,361	-	-	8,361	580
Volunteer expenses	7,615	-	-	7,615	9,877
Coats program	6,536	-	-	6,536	18,099
Office expenses	3,487	387	-	3,874	7,145
Payroll service	2,218	131	293	2,642	3,128
Contributions	-	-	250	250	-
Food gift cards program	-	-	-	-	108,295
	<u>\$ 1,510,560</u>	<u>\$ 104,165</u>	<u>\$ 90,620</u>	<u>\$ 1,705,345</u>	<u>\$ 1,601,885</u>

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

Mission of Deeds, Inc.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Operating activities		
Change in net assets	\$ 435,895	\$ 363,370
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Right-of-use asset- operating	(175)	(172)
Discount on unconditional promises to give	(1,235)	1,867
Realized and unrealized gain on investments	(129,012)	(237,485)
Depreciation	34,840	28,337
Changes in assets and liabilities		
Unconditional promise to give	13,000	(26,000)
Prepaid expenses	(4,423)	-
Accounts payable	23,980	(253)
Accrued expenses	-	(2,114)
Net adjustments	<u>(63,025)</u>	<u>(235,820)</u>
Net cash provided by operating activities	<u>372,870</u>	<u>127,550</u>
Investing activities		
Purchase of property and equipment	(67,226)	(9,219)
Proceeds from sale of investments	63,875	-
Purchase of investments	-	(4,795)
Net cash used in investing activities	<u>(3,351)</u>	<u>(14,014)</u>
Net change in cash and cash equivalents	369,519	113,536
Cash and cash equivalents		
Beginning of year	846,942	733,406
End of year	<u><u>\$ 1,216,461</u></u>	<u><u>\$ 846,942</u></u>

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

Mission of Deeds, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

1. Summary of Significant Accounting Policies

a. 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.

b. 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.

c. 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.

d. 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, 2023, from which the summarized information was derived.

e. 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.

f. Fair Value of Financial Instruments

The Organization measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

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Fair Value Hierarchy

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three "levels" based on the observability of valuation inputs:

Level 1 - Fair value measurements based on quoted prices (unadjusted) in active markets that the has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Organization does not adjust the quoted price for such instruments.

Level 2 - Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Organization must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

The Organization maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

g. 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.

h. 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.

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Notes to Financial Statements
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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.

i. 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. Allowance for doubtful accounts are determined by evaluating the collectability of the receivable based on the credit history of the third party, the age of the receivable, past collection experience, current economic conditions, and reasonable and supportable forecasts of future conditions. As of December 31, 2024 and 2023, management has concluded an allowance for doubtful accounts is not required.

j. 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.

k. Cash and Cash Equivalents

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

l. Restricted Cash

The Organization's restricted cash consists of funds set aside for donor restrictions. As of December 31, 2024 and 2023, there was no cash with restrictions.

m. 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, 2024 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.

n. 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.

Mission of Deeds, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

o. 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 of December 31, 2024, 2023 and 2022 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.

p. 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
Furniture and machinery equipment	5 to 10
Leasehold Improvements	Shorter of lease term or useful life

q. Advertising

The Organization charges the cost to advertising expenses as incurred.

r. Income Tax Status

The Organization recognizes the tax benefit from an uncertain tax position only if it is "more likely than not" that the tax position would be sustained on examination by the taxing authorities, based upon the technical merits of the position. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized upon examination. Interest and penalties related to unrecognized tax benefits are classified as income tax expense.

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.

The Organization is exempt from federal income taxes under section 501(c)(3) of the United States 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 Organization may, however, be subject to tax on unrelated business income.

Mission of Deeds, Inc.
Notes to Financial Statements
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s. 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, 2024, the Organization had no underwater endowments. As of December 31, 2023, the Organization had one underwater endowment totaling \$939.

	2024		2023	
Original endowment	\$	-	\$	150,000
Fair value of Endowment Fund		-		149,061
Deficiency	\$	-	\$	939

t. 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 2024 and 2023.

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.

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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, 2024 and 2023:

	2024	2023
Due in 1 year	\$ 13,000	\$ 13,000
Due in 2-5 years	-	13,000
	13,000	26,000
Less: Discount to net present value	632	1,867
Present value of unconditional promises to give	12,368	24,133
Less: Current unconditional promises to give	12,368	13,000
Unconditional promises to give, net of current portion	<u>\$ -</u>	<u>\$ 11,133</u>

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, 2024 and 2023:

	2024	2023
Stock mutual funds	\$ 1,199,320	\$ 1,043,953
Bond mutual funds	655,719	584,324
Certificates of deposit	50,120	211,745
	<u>\$ 1,905,159</u>	<u>\$ 1,840,022</u>

Mission of Deeds, Inc.
Notes to Financial Statements
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4. Property and Equipment

A summary of property and equipment at December 31, 2024 and 2023, is as follows:

	2024	2023
Vehicles	\$ 118,087	\$ 56,934
Office furniture and equipment	44,893	44,893
Leasehold improvements	405,000	398,927
	567,980	500,754
Less: Accumulated depreciation and amortization	(440,650)	(405,810)
	<u>\$ 127,330</u>	<u>\$ 94,944</u>

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$34,840 and \$28,337, respectively.

5. Endowment

Changes in endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment net assets, beginning of year	\$ 66,071	\$ 429,061	\$ 495,132
Investment return	45,041	27,350	72,391
Investment net assets, end of year	<u>\$ 111,112</u>	<u>\$ 456,411</u>	<u>\$ 567,523</u>

	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	<u>\$ 66,071</u>	<u>\$ 429,061</u>	<u>\$ 495,132</u>

6. Net Assets Without Donor 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 donor restrictions comprises the following as of December 31, 2024 and 2023:

	2024	2023
Building fund (board designated)	\$ 22,725	\$ 36,198
Undesignated	2,689,434	2,275,707
	<u>\$ 2,712,159</u>	<u>\$ 2,311,905</u>

Mission of Deeds, Inc.
Notes to Financial Statements
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7. Net Assets With Donor Restrictions

Net assets with donor restrictions are composed of the following at December 31, 2024 and 2023:

	2024	2023
Coats program (for purpose)	\$ 44,319	\$ 24,263
Promises to give (for passage of time)	12,368	24,133
Endowment (for perpetuity)	456,411	429,061
	<u>\$ 513,098</u>	<u>\$ 477,457</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for the years ended December 31, 2024 and 2023:

	2024	2023
Coats program (for purpose)	\$ 6,536	\$ 17,999
Promises to give (for passage of time)	11,765	-
	<u>\$ 18,301</u>	<u>\$ 17,999</u>

8. Leases

The Organization leases its operating and office facilities under a long-term, noncancelable operating lease agreement. The lease expires in 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, 2024:

2025	\$ 65,564
2026	65,564
2027	32,782
	<u>163,910</u>
Less: Imputed interest	(2,682)
Lease liability at December 31, 2024	<u>\$ 161,228</u>

Lease expense for the year ended December 31, 2024 and 2023 is comprised of operating lease expense of \$65,389 and \$65,392, respectively.

Cash paid for amounts included in the measurement of lease liabilities for operating leases totaled \$65,392 for the years ended December 31, 2024 and 2023, respectively.

The weighted average remaining lease term associated with the operating leases as of December 31, 2024 and 2023 is 2.5 years and 3.5 years, respectively. The weighted average discount rate associated with the operating leases is 1.37% as of December 31, 2024 and 2023. The discount rate was derived from the risk-free rate of debt of similar term length.

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9. Contribution of Non Financial Assets

During the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included:

	2024	2023
Clothing	\$ 7,852	\$ 12,909
Home decor	44,840	39,380
Furniture	440,197	296,088
	<u>\$ 492,889</u>	<u>\$ 348,377</u>

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.

10. 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. Under this option, monthly payments of \$5,464, plus the building's property taxes totaling \$17,339 and \$14,491 for the years ended December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, related party lease payments totaled \$65,389 and \$65,392, respectively.

11. Availability and Liquidity

	2024	2023
Financial assets at year-end		
Cash and equivalents	\$ 1,216,461	\$ 846,942
Unconditional promises to give	12,368	24,133
Investments	1,905,159	1,840,022
	<u>3,133,988</u>	<u>2,711,097</u>
Less: Amounts not available to be used within one year		
Board designated net assets	22,725	36,198
Net assets with donor restrictions	513,098	477,457
	<u>535,823</u>	<u>513,655</u>
 Financial assets available to meet general expenditures within one year	 <u>\$ 2,598,165</u>	 <u>\$ 2,197,442</u>

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, 2024 and 2023, management believes that the Organization has no liquidity issues.

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12. Concentrations, Risks and Uncertainties

a. 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, 2024 and 2023, amounts exceeding the federally insured limits for the Organizations were insured by the Share Insurance fund.

b. 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.

13. Management's acceptance of the financial statements

Subsequent Events

Management has evaluated subsequent events through August 29, 2025 , 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, 2024 requiring disclosure in the financial statements.