LIFELINE CHRISTIAN MISSION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

LIFELINE CHRISTIAN MISSION

Consolidated Financial Statements
December 31, 2023 and 2022

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Perks Pusateri
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Lifeline Christian Mission

Opinion
We have audited the accompanying consolidated financial statements of Lifeline Christian Mission (the "Organization") (a nonprofit corporation), which comprise the consolidated statement of financial position as of December 31, 2023 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 that the consolidated financial statements are available to be issued.

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

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Prior Year Consolidated Financial Statements
The consolidated financial statements as of December 31, 2022 and for the year then ended were audited by other auditors whose report, dated September 25, 2024, expressed an unmodified opinion on those financial statements.

Rea & Associates

Westerville, Ohio
June 4, 2025

LIFELINE CHRISTIAN MISSION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
Current Assets:		
Cash and cash equivalents	$ 361,036	$ 472,923
Contributions receivable	78,317	137,674
Employee Retention Credit receivable	-	226,466
Prepaid expenses and other current assets	40,814	35,258
Inventory	299,116	261,522
Beneficial interest in assets	124,016	116,638
Total current assets	903,299	1,250,481
Property and Equipment, Net	2,207,005	2,294,867
Other Assets:		
Operating lease right-of-use assets	1,195,254	1,469,709
Total other assets	1,195,254	1,469,709
Total Assets	$ 4,305,558	$ 5,015,057

LIABILITIES AND NET ASSETS

	2023	2022
Current Liabilities:		
Accounts payable	$ 710,644	$ 869,308
Grants payable	330,620	-
Accrued expenses	72,324	60,751
Deferred revenue	7,500	7,500
Current portion of notes payable	134,193	155,851
Current portion of operating lease liabilities	265,231	277,799
Total current liabilities	1,520,512	1,371,209
Long-Term Liabilities:		
Notes payable - long-term portion	1,508,717	1,501,088
Operating lease liabilities	989,596	1,255,777
Total long-term liabilities	2,498,313	2,756,865
Net Assets:		
Without donor restrictions	150,621	138,247
With donor restrictions	136,112	748,736
Total net assets	286,733	886,983
Total Liabilities and Net Assets	$ 4,305,558	$ 5,015,057

See Independent Auditors' Report and Notes to Financial Statements

LIFELINE CHRISTIAN MISSION

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	$ 6,914,765	$ 51,461	$ 6,966,226
Gifts-in-kind	795,758	-	795,758
School revenue	323,141	-	323,141
Other income	248,792	-	248,792
Net assets released from restrictions:	664,085	(664,085)	-
Total support and revenue	8,946,541	(612,624)	8,333,917
Expenses:			
Program services	7,083,279	-	7,083,279
Supporting activities:			
Management and general	1,677,738	-	1,677,738
Fundraising	173,150	-	173,150
Total supporting activities	1,850,888	-	1,850,888
Total expenses	8,934,167	-	8,934,167
Change in Net Assets	12,374	(612,624)	(600,250)
Net Assets, Beginning of Year	138,247	748,736	886,983
Net Assets, End of Year	$ 150,621	$ 136,112	$ 286,733

See Independent Auditors' Report and Notes to Financial Statements

LIFELINE CHRISTIAN MISSION

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	$ 7,671,527	$ 25,000	$ 7,696,527
Gifts-in-kind	1,379,730	-	1,379,730
School revenue	474,974	-	474,974
Other income	274,331	-	274,331
Net assets released from restrictions:	543,132	(543,132)	-
Total support and revenue	10,343,694	(518,132)	9,825,562
Expenses:			
Program services	8,280,698	-	8,280,698
Supporting activities:			-
Management and general	1,599,790	-	1,599,790
Fundraising	152,796	-	152,796
Total supporting activities	1,752,586	-	1,752,586
Total expenses	10,033,284	-	10,033,284
Change in Net Assets	310,410	(518,132)	(207,722)
Net Assets, Beginning of Year	(172,163)	1,266,868	1,094,705
Net Assets, End of Year	$ 138,247	$ 748,736	$ 886,983

See Independent Auditors' Report and Notes to Financial Statements

LIFELINE CHRISTIAN MISSION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting	Total
Salaries, taxes and benefits	$ 2,565,429	$ 952,874	$ 146,596	$ 1,099,470	$ 3,664,899
Grants to others	1,812,747	-	-	-	1,812,747
Food and nutrition	1,079,070	22,022	-	22,022	1,101,092
Office expenses	268,126	58,857	-	58,857	326,983
Supplies, equipment, and maintenance	166,323	162,997	3,326	166,323	332,646
Travel and shipping	712,338	38,714	23,228	61,942	774,280
Depreciation and amortization	241,005	242,261	-	242,261	483,266
Interest	69,204	50,113	-	50,113	119,317
Other	169,037	149,900	-	149,900	318,937
	$ 7,083,279	$ 1,677,738	$ 173,150	$ 1,850,888	$ 8,934,167

See Independent Auditors' Report and Notes to Financial Statements

LIFELINE CHRISTIAN MISSION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting	Total
Salaries, taxes and benefits	$ 2,526,257	$ 941,824	$ 128,082	$ 1,069,906	$ 3,596,163
Grants to others	2,380,875	2,528	-	2,528	2,383,403
Food and nutrition	1,690,325	33,360	-	33,360	1,723,685
Office expenses	496,014	107,314	1,042	108,356	604,370
Supplies, equipment, and maintenance	252,547	247,681	3,036	250,717	503,264
Travel and shipping	675,069	37,084	20,636	57,720	732,789
Depreciation	83,509	83,930	-	83,930	167,439
Interest	57,622	41,485	-	41,485	99,107
Other	118,480	104,584	-	104,584	223,064
	$ 8,280,698	$ 1,599,790	$ 152,796	$ 1,752,586	$ 10,033,284

See Independent Auditors' Report and Notes to Financial Statements

LIFELINE CHRISTIAN MISSION

CONSOLIDATED STATEMENTS OF CASH FLOWS
DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	$ (600,250)	$ (207,722)
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation	208,811	167,439
Amortization on operating right-of-use asset	274,455	269,245
Amortization of debt issuance costs	2,512	2,512
Donated land	-	(140,000)
Increase in value of beneficial interest in assets	(7,378)	(6,638)
(Increase) decrease in:		
Contributions receivable	59,357	40,848
Employee Retention Credit receivable	226,466	148,635
Prepaid expenses and other assets	(5,556)	(4,840)
Inventory	(37,594)	198,570
Increase (decrease) in:		
Accounts payable	(158,664)	540,646
Grants payable	330,620	-
Accrued expenses	11,573	(624,226)
Operating lease liability	(278,749)	(205,378)
Deferred revenue	-	(59,238)
Net cash flows provided by operating activities	25,603	119,853
Cash Flows from Investing Activities:		
Purchase of property and equipment	(271,658)	(162,343)
Proceeds from sales of investments	-	25,500
Net cash flows used by investing activities	(271,658)	(136,843)
Cash Flows from Financing Activities:		
Borrowings on debt	148,197	-
Payments on line of credit	-	(55,000)
Payments on debt	(14,029)	(127,147)
Net cash flows provided by (used by) financing activities	134,168	(182,147)
Net Decrease in Cash and Cash Equivalents	(111,887)	(199,137)
Cash and Cash Equivalents - Beginning of Year	472,923	672,060
Cash and Cash Equivalents - End of Year	$ 361,036	$ 472,923
Supplemental Cash Flows Information:		
Cash paid for income taxes	$ -	$ -
Cash paid for interest	$ 116,805	$ 99,107

See Independent Auditors' Report and Notes to Financial Statements

LIFELINE CHRISTIAN MISSION

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 1 - Nature of Organization and Operations

Lifeline Christian Mission and Affiliate ("LCM") is a nonprofit organization. The primary purpose of LCM is to construct and operate churches, schools, and medical facilities, including providing charitable relief in the form of food and medical supplies, in Haiti, Honduras, El Salvador, Cuba, Canada, Guatemala, Panama, Ecuador, and Red Sands (USA).

LCM's outreaches are funded by contributions from churches and individuals throughout the country, a majority of which are located in the Midwest.

Note 2 - Significant Accounting Policies

Principles of Consolidation – The consolidated financial statements include the accounts of Lifeline Christian Mission and Lifeline Christian Mission Foundation – Honduras, which is a legal operating entity that is controlled by Lifeline Christian Mission (collectively referred to as the "Organization"). All significant intercompany transactions and balances have been eliminated within the consolidated financial statements.

Basis of Accounting – The consolidated financial statements of the Company are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the sole source of authoritative accounting technical literature.

Accounting Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

Subsequent Events – Subsequent events for the Organization have been considered through June 4, 2025, which represents the date the consolidated financial statements were available to be issued.

Cash and Cash Equivalents – The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents totaled $44,013 and $82,371 as of December 31, 2023 and 2022, and consist of money market funds.

All accounts maintained at financial institutions in the United States are insured by the Federal Deposit Insurance Corporation up to $250,000 per bank. The Company maintains balances in excess of federally insured limits with its banks. The uninsured cash balance at December 31, 2023 and 2022 was approximately $21,410 and $54,000, respectively.

Contributions Receivable – Contributions receivable represent unconditional promises to give related to meal pack events and are recognized as assets and revenue in the period received. All receivables are expected to be collected within one year and are recorded at their net realizable value based on management's estimate of the receivables being collectible. Management believes all contributions receivable are collectible; therefore, no allowance for uncollectible amounts has been recorded as of December 31, 2023 or 2022.

Inventory – Inventory procured by the Organization is stated at the lower of cost or net realizable value. Costs are determined using the first-in, first-out method. The Organization also receives donations of medical supplies, clothing, and food for use in its outreach programs. Gifts-in-kind contributions are valued at their estimated fair value on the date of donation. Fair value is determined using the market approach whereby the Organization uses prices and other relevant information generated for market transactions involving comparable assets.

Note 2 - Significant Accounting Policies (Continued)

Beneficial Interest in Assets – Beneficial interest in assets consist of an unconditional interest in the future cash flows of an investment held with The Solomon Foundation (see Note 11). The Organization does not have control over the funds but does retain an unconditional interest in the future cash flows of the investment; therefore, the Organization recorded this beneficial interest at the fair market value upon receipt during the year ended December 2021 and recorded the increase in fair value during the years ended December 31, 2023 and 2022. Distributions of the funds are treated as unconditional contributions without donor restrictions during the year they occur.

Property and Equipment – Property and equipment purchased by the Organization are recorded at cost. The Organization capitalizes all expenditures for property and equipment over $5,000 with a useful life in excess of one year. The fair value of donated property and equipment are similarly capitalized without donor restriction unless explicit donor stipulations specify the use of the asset, in which the donor restriction is released when the property and equipment is placed in service. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets:

Buildings and improvements	15 – 39 years
Vehicles	7 – 15 years
Equipment and furniture	5 – 7 years
Software	5 – 12 years

When properties are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in income. Maintenance and repairs are expensed as incurred.

Donor-Imposed Restrictions – The Organization records and reports its assets, liabilities, net assets, revenues, gains and losses, and other support based on the existence or absence of donor-imposed restrictions. The Organization reports 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 Organization. These net assets may be used at the discretion of the Organization'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 actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds must be maintained in perpetuity. The Organization has no net assets with donor restrictions that must be maintained in perpetuity as of December 31, 2023 or 2022.

Gifts In-Kind – Donated materials and equipment are shown as gifts, valued at their estimated fair value at the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of donation. A large number of volunteers have given significant amounts of their time for the operation of the Organization throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria were not met.

Note 2 - Significant Accounting Policies (Continued)

Leases – The Organization leases vehicles and warehouse space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities and operating lease liabilities on its Consolidated Statements of Financial Position. This lease is classified as an operating lease under ASC 842.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of these leases do not provide an implicit rate, the Organization uses the risk-free rate based on the information available at commencement date in determining the present value lease payments. The operating lease ROU asset also includes any lease payments made and exclude lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise that option. Lease expense for lease payments are recognized on a straight-line basis over the lease term.

The Organization's leases do not contain any residual value guarantees or material restrictive covenants.

Revenue Recognition – School revenue is recognized in accordance with ASC *Revenue from Contracts with Customers (Topic 606)* and consists of tuition income that is recognized in the year the educational services are provided and as the performance obligations are simultaneously received and consumed by the students. The over-time revenue recognition is based on the output method with revenue recognition recognized ratably over the contract period (the academic period) as the educational services are being provided. The output method is believed to be the most appropriate depiction of the Organization's performance because it directly measures the educational services provided to date. Any amounts received in advance of the academic year are deferred to the academic year to which the tuition related.

The Organization also receives revenue from contributions, gifts-in-kind and investment income which are outside of the scope of ASC Topic 606. The Organization recognizes contributions when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Conditional promises to give – that is, those with a measurable performance or other barrier or a right of return – are not recognized until the conditions upon which they depend have been met.

Other income is recorded at the point in time that the service is provided or the product is sold.

Income Tax Status – LCM is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the IRC. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the IRC. It is, however, subject to income taxes on "unrelated business income", of which management has determined there was none for the years ended December 31, 2023 and 2022. As of December 31, 2023 and 2022, the Organization has no uncertain tax positions that qualify for disclosure in the consolidated financial statements.

Functional Allocation of Expenses – The consolidated statements of functional expenses reports certain categories of expenses that are attributable to program or support activities of the Organization. These expenses include depreciation and supplies, equipment, and maintenance, which are allocated based on square footage of occupancy. Costs of other categories, such as salaries and benefits, were allocated on estimates of time and effort.

Note 2 - Significant Accounting Policies (Continued)

Advertising Costs – Advertising costs are expensed as incurred. Advertising expenses as of December 31, 2023 and 2022 were $15,545 and $11,596, respectfully.

Note 3 - Liquidity and Funds Available

The following reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of board designations and contractual or donor-imposed restrictions within one year of the consolidated statements of financial position date.

	2023	2022
Financial assets:		
Cash and cash equivalents	$ 361,036	$ 472,923
Investments	---	---
Accounts and contributions receivable	78,317	137,674
Employee Retention Credit receivable	---	226,466
Financial assets, at year-end	439,353	837,063
Less those unavailable for general expenditures within one year due to:		
Restricted by donor with purpose restrictions	(136,112)	(748,736)
Financial assets available to meet cash needs for general expenditures within one year	$ 303,241	$ 88,327

The Organization is substantially supported by contributions, which at times are received with restrictions. Those contributions with donor restrictions require resources to be used in a particular manner or in a future period. The Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization also could draw upon its two available revolving lines of credit up to $572,000, with availability of $6,279 as of December 31, 2023 (see Note 6).

Note 4 - Property and Equipment

Property and equipment consists of the following as of December 31,:

	2023	2022
Land	$ 232,140	$ 232,140
Buildings and improvements	2,583,568	2,243,621
Vehicles	285,599	329,136
Equipment and furniture	262,461	315,870
Software	96,542	96,542
	3,460,310	3,217,309
Less accumulated depreciation	(1,259,216)	(1,144,193)
	2,201,094	2,073,116
Construction in progress	5,911	221,751
	$ 2,207,005	$ 2,294,867

Note 5 - Inventory

Inventory consists of the following as of December 31,:

	2023	2022
Meal pack supplies	$ 222,843	$ 222,454
Medical and other supplies	76,273	39,068
	$ 299,116	$ 261,522

Note 6 - Debt

Debt consists of the following as of December 31,:

	2023	2022
Note payable with Feeding Children International which requires monthly installments of principal and interest of $6,459 through August 2028 with an interest rate of 1.78%.	$ 346,827	$ 417,475
Note payable with TSF (see Note 11) which requires monthly installments of principal and interest of $3,941 through December 2043. Interest rate is 7.75%. The note is secured by a building.	480,000	479,072
Note payable with TSF (see Note 11) which requires monthly installments of principal and interest of $1,166 through June 2026. Interest rate is 6.85% The note is secured by a building.	172,800	174,881
Revolving line of credit with TSF (see Note 11) with a maximum borrowing capacity of $382,000. Monthly interest only payments are calculated at the annual rate of 7% on the outstanding balance, which matures April 2028.	376,038	373,989
Revolving line of credit with TSF (see Note 11) with a maximum borrowing capacity of $190,000. Monthly interest only payments are calculated at the annual rate of 7.75% on the outstanding balance, which matures November 2028.	190,000	140,000
Financing agreement with a company requiring quarterly installments of principal and interest of $3,157 through December 2025 with an interest rate of 1.26%	24,176	---
Financing agreement with a company requiring monthly installments of principal and interest of $1,830 through July 2023. Interest rate is 2%. Secured by laptops and docking stations.	---	15,200
Financing agreement with a company requiring monthly installments of principal and interest of $737 through July 2025. Interest rate is 1.5%. Secured by a vehicle.	14,498	22,409

Note 6 - Debt (Continued)

	2023	2022
Financing agreement with a company requiring monthly installments of principal and interest of $649 through July 2025. Interest rate is 2%. Secured by a copier.	17,781	23,438
Financing agreement with a company requiring monthly installments of principal and interest of $603 through September 2025. Interest rate is 4%. Secured by a vehicle.	12,043	18,627
Financing agreement with a company requiring monthly installments of principal and interest of $525 through October 2026 with an interest rate of 6.25%	17,102	---
Financing agreement with a company requiring monthly installment payments of $239 through January 2023. Secured by equipment.	---	239
	1,651,265	1,665,330
Less current portion	(134,193)	(155,851)
Less net unamortized debt issuance costs	(8,355)	(8,391)
Long-term portion	$ 1,508,717	$ 1,501,088

Future estimated maturities of debt are as follows:

Years ending December 31,	
2024	$ 134,193
2025	124,062
2026	101,508
2027	96,903
2028	73,993
Thereafter	1,120,606
	$ 1,651,265

Debt issuance costs are amortized ratably over the term of the related loan. Approximately $2,500 per year will be amortized through 2025 and $855 will be amortized in 2026.

Note 7 - Net Assets

Net assets consist of the following as of December 31,:

	2023	2022
Net assets with donor restrictions consist of:		
Food and nutrition	$ ---	$ 168,678
Homes for Haiti	79,032	197,580
Time restrictions	---	137,674
Surgery center	---	78,584
Solar panels	57,080	66,080
Gifts to children and mission trips	---	20,904
Other programs	---	79,236
	$ 136,112	$ 748,736

Note 7 - Net Assets (Continued)

	2023	2022
Net assets without donor restrictions consist of:		
Undesignated	$ 150,621	$ 138,247
	$ 150,621	$ 138,247

Note 8 - Lease Commitments

The Organization has applied the requirements of ASU Topic 842 and all subsequent ASUs that modified ASU Topic 842. The Organization has noncancelable operating leases for all warehouse locations and vehicle leases. These lease agreements have terms remaining ranging from 1 to 5 years and have the existence and terms and conditions of options for extending or terminating the leases. The lease liability is recorded at the present value of the unpaid lease payments discounted at the discount rate for the lease established at the commencement date. The Organization utilized the incremental rate for operating leases.

At December 31, 2023, the weight-average remaining lease term under the leases was 2.78 years.

At December 31, 2023, the weight-average discount rate with respect to the leases was 2.39%.

At December 31, 2023, the future lease payments under the operating leases and the net present value for the future lease payments, as discounted using the incremental rate, are as follows:

Years ending December 31,	
2024	$ 265,100
2025	266,842
2026	218,139
2027	151,519
2028	146,396
Thereafter	288,990
Total future undiscounted lease payments	1,336,986
Less imputed interest	(82,159)
Total lease liabilities	$ 1,254,827

Operating lease costs are reported in the consolidated statement of functional expenses under depreciation and amortization. ROU asset amortization totaled $274,455 and $269,245 for the years ending December 31, 2023 and 2022, respectively.

Note 9 - Gifts-In-Kind

The Organization receives donated goods in new or useable condition that are utilized to directly benefit clients receiving services through site locations. Donated goods consist of clothing, food, diapers, hygiene and first aid items, furniture, and vehicles. The Organization researches current values to determine the fair value of donated goods. Items in fair condition are valued at the lower end of the scale while those in better condition are valued higher. All donated items were utilized in the Organization's programs and supporting services. There were no donor-imposed restrictions associated with donated goods.

Note 9 - Gifts-In-Kind (Continued)

The Organization received the following contributions of nonfinancial assets as of December 31:

	2023	2022
Meals and food	$ 580,585	$ 881,859
Ministry supplies	75,140	257,191
Medical supplies	21,172	40,756
Equipment	118,861	199,924
	$ 795,758	$ 1,379,730

Note 10 - Retirement Plan

The Organization offers a defined contribution retirement plan through The Solomon Foundation ("TSF") (see Note 11). The plan provides benefits to all participating employees and contributions are immediately vested. The Organization makes contributions based on participants' compensations. The rate of contributions was 0.5% of the participants' compensations as well as a match of up to 1.5%. The Organization's contributions were $0 and $70,428, for the years ended December 31, 2023 and 2022, respectively.

Note 11 - Related Party Transactions

The Organization sent grants, including food and supplies, to non-profit affiliates of approximately $345,000 and $302,000 during the years ended December 31, 2023 and 2022, respectively. The president of the Organization is also the president of the affiliated non-profits. The president of The Solomon Foundation (TSF) is on the board of the Organization. The Organization had assets consisting of cash equivalents of $44,013 and $82,371 and a beneficial interest in assets of $124,016 and $116,638, on deposit at TSF as of December 31, 2023 and 2022, respectively. The Organization had notes payable and two lines of credit totaling $1,218,837 and $1,167,942 (see Note 6), as of December 31, 2023 and 2022, respectively, with TSF. Additionally, the Organization made contributions to a retirement plan administered by TSF for $0 and $70,428, (see Note 10), as of December 31, 2023 and 2022, respectively.

The Organization's board members contributed approximately $49,022 and $28,700, during the years ended December 31, 2023 and 2022, respectively.

The Organization's president donated land to the Organization valuing $140,000 during the year ended December 31, 2022.