Lighthouse Mission Ministries

Financial Statements with
Independent Auditor's Report

Years Ended June 30, 2025 and 2024

WERSEN
NONPROFIT
CPAs LLC

Lighthouse Mission Ministries

Contents

Independent Auditor's Report

To the Board of Directors
Lighthouse Mission Ministries
Bellingham, Washington

Opinion
I have audited the accompanying financial statements of Lighthouse Mission Ministries (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lighthouse Mission Ministries (the Organization) as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
I conducted my audits in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Organization and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
My 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 my 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, I:

- 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 my 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.

I am 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 I identified during the audit.

Bellingham, Washington
June 23, 2026

Lighthouse Mission Ministries

Statements of Financial Position

June 30, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	$ 1,775,492	$ 2,044,722
Certificates of deposit	45,829	576,351
Pledges receivable	132,069	344,230
Rent receivable	-	41,381
Property held for sale	562,330	1,995,000
Prepaids and other current assets	236,227	279,918
Total current assets	2,751,947	5,281,602
Pledges receivable, net of discount and current portion	451,934	526,006
Other assets	125,673	47,170
Property and equipment, net	31,615,454	26,129,578
Total assets	$ 34,945,008	$ 31,984,356
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	$ 118,938	$ 5,373,306
Accrued payroll and related liabilities	200,231	327,769
Deferred grant support	1,000,000	-
Note payable	113,527	-
Total current liabilities	1,432,696	5,701,075
Other accrued liabilities	89,017	38,461
Note payable, net of current portion	6,145,979	-
Total liabilities	7,667,692	5,739,536
Net assets		
Without donor restrictions	25,003,034	2,396,667
With donor restrictions	2,274,282	23,848,153
Total net assets	27,277,316	26,244,820
Total liabilities and net assets	$ 34,945,008	$ 31,984,356

Lighthouse Mission Ministries

Statements of Activities

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions	$ 6,868,639	$ 74,759	$ 6,943,398	$ 3,915,728	$ 5,352,807	$ 9,268,535
In-kind contributions						
Rent	463	-	463	24,146	-	24,146
Property	-	-	-	-	145,000	145,000
Note payable forgiveness	-	-	-	473,197	-	473,197
Other goods and services	220,766	-	220,766	306,482	-	306,482
Total in-kind contributions	221,229	-	221,229	803,825	145,000	948,825
Fundraising events, net of direct expenses	442,470	-	442,470	336,533	-	336,533
Net investment return	43,294	-	43,294	176,232	-	176,232
Other income	96,630	2,086	98,716	85,450	2,266	87,716
Net assets released from restriction	21,650,716	(21,650,716)	-	186,341	(186,341)	-
Total support and revenue	29,322,978	(21,573,871)	7,749,107	5,504,109	5,313,732	10,817,841
Expenses						
Program services	4,308,302	-	4,308,302	3,296,513	-	3,296,513
Management and general	1,338,471	-	1,338,471	905,726	-	905,726
Fundraising	1,069,838	-	1,069,838	809,673	-	809,673
Total expenses	6,716,611	-	6,716,611	5,011,912	-	5,011,912
Changes in net assets	22,606,367	(21,573,871)	1,032,496	492,197	5,313,732	5,805,929
Net assets – beginning of year	2,396,667	23,848,153	26,244,820	1,904,470	18,534,421	20,438,891
Net assets – end of year	$ 25,003,034	$ 2,274,282	$ 27,277,316	$ 2,396,667	$ 23,848,153	$ 26,244,820

The accompanying notes are an integral part of these financial statements.

Lighthouse Mission Ministries

Statements of Functional Expenses

Years Ended June 30, 2025 and 2024

	2025				2024			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,833,875	$ 632,497	$ 429,919	$ 2,896,291	$ 1,557,968	$ 519,874	$ 386,573	$ 2,464,415
Employee benefits	223,848	117,236	62,625	403,709	176,865	68,587	56,115	301,567
Payroll taxes	159,422	24,283	18,918	202,623	133,615	23,521	14,523	171,659
Total payroll and related	2,217,145	774,016	511,462	3,502,623	1,868,448	611,982	457,211	2,937,641
Occupancy	706,791	93,402	52,478	852,671	588,100	64,125	25,905	678,130
Depreciation	417,827	101,964	33,496	553,287	123,311	3,273	3,273	129,857
Meals and assistance	438,697	6,189	-	444,886	410,944	-	-	410,944
Advancement services	901	94	347,781	348,776	2,725	24	271,063	273,812
Interest	261,795	85,853	27,255	374,903	-	-	-	-
Miscellaneous	66,950	152,175	76,594	295,719	67,516	128,109	44,943	240,568
Professional services	42,065	106,374	8,444	156,883	108,689	84,268	4,155	197,112
Supplies	111,923	10,762	5,555	128,240	77,516	11,315	2,122	90,953
Special events	-	-	100,792	100,792	-	-	90,112	90,112
Repairs and maintenance	44,208	7,642	6,773	58,623	49,264	2,630	1,001	52,895
	4,308,302	1,338,471	1,170,630	6,817,403	3,296,513	905,726	899,785	5,102,024
Less: direct expenses of fundraising events	-	-	(100,792)	(100,792)	-	-	(90,112)	(90,112)
Total expenses	$ 4,308,302	$ 1,338,471	$ 1,069,838	$ 6,716,611	$ 3,296,513	$ 905,726	$ 809,673	$ 5,011,912

The accompanying notes are an integral part of these financial statements.

Lighthouse Mission Ministries

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Changes in net assets	$ 1,032,496	$ 5,805,929
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Write-offs and change in receivables allowance and discount	(10,261)	(8,677)
Depreciation	553,287	129,857
Donated property and equipment	(4,500)	-
Loss (gain) on sale of property and equipment	6,551	(4,566)
Realized and unrealized gain on investments	-	(29,769)
Loan fees	2,644	-
Gain on forgiveness of note payable to related party	-	(463,599)
Contributions restricted for capital projects	(2,299,464)	(5,343,482)
Noncash contributions of property restricted for capital projects	-	(145,000)
Noncash in-kind contributions	(221,229)	(291,015)
Noncash in-kind expenses	262,610	472,023
Noncash changes in other assets	93,013	(116,820)
(Increase) decrease in assets		
Other assets	(127,825)	99,923
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	60,853	(25,736)
Accrued payroll and related liabilities	(127,538)	49,891
Net cash provided (used) by operating activities	(779,363)	128,959
Cash flows from investing activities		
Net changes in certificates of deposit	530,522	(414,099)
Purchases of property and equipment, net of proceeds from sales	(9,873,209)	(15,817,844)
Proceeds from sales of investments, net of deposits	-	6,902,947
Net cash used by investing activities	(9,342,687)	(9,328,996)
Cash flows from financing activities		
Deferred grant support proceeds for capital projects	1,000,000	-
Proceeds from contributions restricted for capital projects	2,595,958	6,802,900
Proceeds from issuance of note payable	7,506,862	-
Principal payments on note payable	(1,250,000)	-
Net cash provided by financing activities	9,852,820	6,802,900
Net change in cash and cash equivalents	(269,230)	(2,397,137)
Cash and cash equivalents – beginning of year	2,044,722	4,441,859
Cash and cash equivalents – end of year	$ 1,775,492	$ 2,044,722

Note 1 – Summary of Significant Accounting Policies

Nature of activities – Lighthouse Mission Ministries (the Organization) is a Washington State nonprofit corporation established in 1923 as a Christian-based charitable organization to conduct rescue mission work and be a consistent friend to people who are homeless. The Organization's programs serve the spiritual and human needs of people who are in need of food, shelter, and recovery services within the local community. This is done through three distinct programs: Agape Home, Ascent Program, and Base Camp (including Outreach), each of which comes alongside people, wherever they are at, to offer hope, give dignity, serve, and support as they undertake the difficult work of leaving homelessness behind.

Lighthouse Mission Ministries Foundation (the Foundation) is a related party, which exists to support the Organization. While the Organization has an economic interest in the Foundation, the Organization lacks the requisite level of control over the Foundation to require consolidation. Thus, the Foundation's financial statements are not consolidated within the Organization's financial statements at either June 30, 2025 or 2024. Transactions between the Organization and Foundation are described in Notes 7 and 11.

Basis of accounting – The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), which involves the application of accrual accounting. Accordingly, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of presentation – The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Under this standard, the Organization is required to present its financial position and activities according to two classes of net assets:

> *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control.
>
> *Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions or time restrictions that will be met either through actions of the Organization or by passage of time, including contributions restricted by the donor to be invested in perpetuity, if any.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. In the period donor restrictions are met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfaction of restrictions. When donor restrictions are met during the same period that the contribution is received, the contribution is recognized as without donor restrictions. Gifts restricted for the acquisition of long-lived assets may not be released from restrictions until the assets are completed and placed in service.

Cash and cash equivalents – The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank accounts that may exceed federally insured limits at times during the year. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Certificates of deposit – Certificates of deposit are recorded at cost plus accrued interest.

Note 1 – Summary of Significant Accounting Policies – (Continued)

Pledges receivable – Unconditional promises to give (pledges) that are expected to be collected within one year are recorded at net realizable value. Pledges expected to be collected in future years are recorded at the present value of estimated future cash flows using a discount rate commensurate with the risks involved. In subsequent years, amortization of the discount is included as contribution support in the statements of activities. Management determines the allowance for uncollectable pledges based on historical experience, an assessment of economic conditions, and a review of subsequent collections. The Organization considers all pledges receivable collectible as of June 30, 2025 and 2024; thus, no allowance has been established for uncollectible pledges. However, long-term promises to give have been discounted using rates ranging from 1%-5% based on a variety of factors, as disclosed further in Note 3.

Property and equipment – The Organization capitalizes all property and equipment acquisitions in excess of $5,000. Property and equipment acquisitions are recorded at cost, if purchased, and fair value, if donated. Additions, improvements, or expenditures which add to productive capacity or extend the life of an asset are capitalized. Expenditures for repairs and maintenance are charged to operations as incurred. Depreciation is recorded using the straight-line method over estimated useful lives of the assets, which ranges from 3 to 40 years.

Sabbatical leave – The Organization maintains a sabbatical leave program that requires all Chiefs and Program Directors to take a sabbatical of eight full, contiguous weeks for every seven years of service. Compensated time under this program is accrued over the requisite service period. At June 30, 2025 and 2024, the Organization had accrued $39,919 and $66,435, respectively, which is included in accrued payroll and other liabilities in the statements of financial position.

Contributions – Contribution revenue is recognized in the period received or when an unconditional promise to give is made, whichever is earlier. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A conditional grant, restricted for the Campus Building Fund (Titan capital project), totaling $1,000,000 was received during the year ended June 30, 2025, but not recognized as contribution support due to the grants underlying conditions not yet met as of June 30, 2025. The proceeds from this grant were recorded as deferred grant support in the accompanying statement of financial position.

Donated goods, services, and rent – Donations of goods, services, and rent are recorded at their estimated fair values at the date of donation. Donated services are recognized if services received (a) create or enhance nonfinancial assets or (b) require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not donated. Many volunteers have donated significant amounts of time to the Organization's activities. The services of these volunteers are not recorded in the accompanying financial statements as they do not meet the criteria for recognition.

The fair value of donated goods and services is determined by either the value of the good or service as stated on the receiving documents or based on similar goods and services available in the market. The fair value of free or discounted lease agreements is determined based on square footage in comparison to similar spaces in the geographic area.

Note 1 – Summary of Significant Accounting Policies – (Continued)

Donated goods, services, and rent (continued) – In-kind contributions of rent under long-term lease agreements contain implicit time restrictions associated with the portion extending into future years (see Note 4). During the year ended June 30, 2024, the Organization recognized a gain in the fair market value of land held for sale (see Note 5) of $145,000 and is considered donor restricted. There was no gain in the market value of land held for sale during the year ended June 30, 2025. There were no donor restricted in-kind professional services received during the years ended June 30, 2025 or 2024. The remaining in-kind contributions are not donor restricted.

In general, the Organization uses all goods and services received in its operations and does not monetize any in-kind goods and services received.

Advertising – The Organization expenses advertising costs as they are incurred. Advertising expense totaled $127,672 and $95,358 for the years ended June 30, 2025 and 2024, respectively, and is included in advancement services in the accompanying statements of functional expenses.

Federal income taxes – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is therefore exempt from federal income tax on income derived from activities related to its tax-exempt purposes. Accordingly, no provision for income tax is necessary. Under Section 6033(a)(3)(A)(i), the Organization is not required to file a federal income tax return as it meets the federal requirements for church status, and it operates as a church.

Functional allocation of expenses – The costs of providing various programs and other activities have been summarized on the functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classifications. Expenses that are not directly associated with a program are allocated as follows:

> **Time and effort:** Payroll and related expenses
> **Square footage**: Depreciation and interest expense
> **Estimates of usage and direct allocation:** Occupancy, supplies, repairs and maintenance, advancement services, professional services, meals and assistance, and miscellaneous

Use of estimates – The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications – Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation. These reclassifications had no effect on the net assets or changes in net assets as of or for the year ended June 30, 2024.

Subsequent events – In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 23, 2026, the date that the financial statements were available to be issued.

Note 2 – Liquidity and Availability

Financial assets available for general expenditure within one year consist of the following as of June 30:

	2025	2024
Cash and cash equivalents	$ 1,775,492	$ 2,044,722
Certificates of deposit	45,829	576,351
Pledges receivable, net	584,003	870,236
Property held for sale	562,330	1,995,000
Total financial assets	2,967,654	5,486,309
Less amounts not available for general expenditure		
Deferred grant support	(1,000,000)	-
Donor restricted	(1,189,977)	(5,335,649)
Financial assets available for general expenditure within one year	$ 777,677	$ 150,660

The Organization has certain donor-restricted net assets limited to use which are not available for general expenditures within one year in the normal course of operations. Accordingly, these net assets have been subtracted from the calculation above. Additionally, the Organization has received funds under a conditional grant agreement that are reported as deferred grant support in the accompanying statement of financial position. These funds are limited to the specific purposes outlined in the agreement and are not available to support general expenditures. Accordingly, these amounts have been subtracted from the calculation above.

The Organization's goal is to maintain three months of cash to cover operating expenses. Cash amounts exceeding the three-month goal may be invested in short-term investments, including certificates of deposit. Amounts received that are donor restricted for long-term capital projects may be invested in marketable securities in accordance with the Organization's investment policy. In addition, the Lighthouse Mission Ministries Foundation exists to support the Organization (see Note 1) and, subject to approval by the Foundation's Board of Directors, may provide additional assistance to the Organization in times of need.

Note 3 – Pledges Receivable

During the year ended June 30, 2021, the Organization commenced a campaign to raise funds for a new campus in Bellingham, Washington. Funds contributed toward this campaign are considered restricted for the Campus Building Fund. Construction of the new facilities was completed and the facilities were placed into service in October 2024 (see Note 6). The campaign remains ongoing as the Organization seeks additional contributions to repay project-related financing.

Note 3 – Pledges Receivable – (Continued)

Pledges receivable consist of the following as of June 30:

	2025	2024
Receivable in less than one year	$ 132,069	$ 344,230
Receivable in one to five years	-	220,833
Receivable in greater than five years	856,500	720,000
Total pledges receivable, gross	988,569	1,285,063
Less discount to net present value at rates ranging from 1% to 5%	(404,566)	(414,827)
	$ 584,003	$ 870,236

One donor represents 89% and 71% of the total gross pledges receivable balance as of June 30, 2025 and 2024, respectively.

Note 4 – Rent Receivable

The Organization entered into a 3-year lease with the City of Bellingham in June 2020, with an option to extend in the 4th year, for property to house the Organization's Drop-in Center program. The Drop-in Center program is used to stabilize incoming guests, introduce them to a lifesaving relationship with Jesus Christ, offer homeless assessment, and provide a motivational environment that encourages life-change. The Organization is not required to make any rent payments under the terms of this lease for the first three years. The lease agreement was terminated in October 2024.

The Organization entered into a 26-month lease with PeaceHealth commencing February 2022, for the use of kitchen space in Bellingham, Washington with monthly payments of $1. The lease terminated in March 2024 and continued on a month-to-month basis through October 2024.

In both instances, the Organization has recognized in-kind contribution revenue, rent expense, and rent receivable based on the estimated fair value of the benefit to be received by the Organization over the term of the leases. The unamortized discount is recognized as contribution support over the term of the leases. Rent receivable related to the use of these properties totaled $41,381 as of June 30, 2024 and was expected to be collected within one year of June 30, 2024. There was no rent receivable related to the use of these properties as of June 30, 2025.

In-kind rent expense related to these leases totaled $68,385 and $205,154 during the years ended June 30, 2025 and 2024, respectively, and is included in occupancy expense in the statements of functional expenses.

Note 5 – Property Held for Sale

During the year ended June 30, 2023, the Organization received a contribution of real property with an initial valuation of $2,350,000. The donor restricted the property to be sold with proceeds used toward the Organization's Campus Building Fund campaign. Because the Organization initially expected the property to be sold within one year, the property was classified as held for sale and recorded at estimated fair value less costs to sell.

During the year ended June 30, 2025, the Organization marketed the property as two separate parcels. One parcel remained classified as held for sale as of June 30, 2025, and the Organization subsequently entered into a purchase and sale agreement related to that parcel in July 2025. The second parcel no longer met the criteria for classification as held for sale as of June 30, 2025 and, accordingly, was reclassified to property and equipment in the accompanying statement of financial position.

Note 6 – Property and Equipment

Property and equipment consists of the following as of June 30:

	2025	2024
Land	$ 1,048,428	$ 512,056
Buildings and improvements	32,289,015	3,199,195
Vehicles	122,320	110,320
Machinery and equipment	139,298	148,582
Furniture and fixtures	91,999	41,852
Other	3,582	19,641
Construction in progress	-	23,681,807
Property and equipment, gross	33,694,642	27,713,453
Less: accumulated depreciation	(2,079,188)	(1,583,875)
	$ 31,615,454	$ 26,129,578

Depreciation expense totaled $553,287 and $129,857 for the years ended June 30, 2025 and 2024, respectively.

During the year ended June 30, 2025, the Organization substantially completed its campus expansion project in Bellingham, Washington. The related facilities were placed into service in October 2024, resulting in the transfer of substantially all construction in progress balances to buildings and improvements.

Note 7 – Note Payable

Long-term debt consists of the following as of June 30, 2025:

Note payable to Whatcom Educational Credit Union, due in installments of $38,895 per month with a lump sum due December 20233. The loan is financed at a variable rate, which was 5.61% as of June 30, 2025. The loan is secured by a deed of trust on the Organization's real property at 1312 F Street, Bellingham, WA 98225.	$ 6,259,506
Less current portion	(113,527)
Note payable, net of current portion	$ 6,145,979

There was no long-term debt outstanding for the year ended June 30, 2024.

Annual principal amounts due on the long-term debt are as follows for the years ending June 30:

2026	$ 113,527
2027	125,126
2028	131,404
2029	139,893
2030	147,946
Thereafter	5,601,610
	$ 6,259,506

In October 2023, the Foundation's board of directors approved a restricted-use grant to the Organization in an amount sufficient to repay the remaining balance of the related party note payable, including accrued interest. The transaction was non-cash in nature and resulted in the extinguishment of the related party note payable during the year ended June 30, 2024.

Note 8 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30:

	2025	2024
Campus Building Fund - donated property to be sold	$ 1,612,465	$ 1,938,428
Campus Building Fund - general Titan Project	584,003	20,362,513
Campus Building Fund - Crisis Family Micro Shelter	-	500,000
Campus Building Fund - solar panels	-	827,412
Campus Building Fund - restoration/recovery programming	-	100,000
Total Campus Building Fund	2,196,468	23,728,353
Time restricted - rent receivable	-	41,381
Other	77,814	78,419
	$ 2,274,282	$ 23,848,153

Note 9 – Tax-Sheltered Annuity Plan

The Organization maintains a qualified tax-sheltered annuity plan (the Plan) under 403(b) of the IRS Code available to all full-time employees. The Plan is non-discriminatory and the Organization contributes three percent of salary for participating employees annually. The Organization also matches up to two percent of each participating employee's tax deferred compensation withheld under the Plan. The amounts withheld from compensation and the Organization's contribution vest immediately with the employee. The amount of contributions to the Plan made by the Organization totaled $75,186 and $51,650 for the years ended June 30, 2025 and 2024, respectively.

Note 10 – Program Expenses

Total program expenses presented on the statements of functional expenses may be further broken down by program as follows as of June 30:

	2025	2024
Basecamp (including Outreach)	$ 3,074,184	$ 2,180,818
Agape Home	654,927	542,122
Ascent Program	572,464	556,228
Other	6,727	17,345
	$ 4,308,302	$ 3,296,513

Note 11 – Related Party Transactions

The Organization received contributions totaling $600,000 from the Foundation during the year ended June 30, 2025. The Organization received loan forgiveness from the Foundation, recognized as an in-kind contribution, totaling $473,197 during the year ended June 30, 2024.

The Organization recognized contributions totaling approximately $126,000 and $62,000 from board members during the years ended June 30, 2025 and 2024, respectively.

Note 12 – Supplemental Disclosure of Cash Flow Information

	2025	2024
Cash paid for interest on note payable	$ 348,587	$ -
Non-cash investing and financing activities		
Reclassification of property held for sale to property and equipment	$ 1,432,670	$ -
Property purchased through accounts payable	$ -	$ 5,364,665
Forgiveness of note payable to related party	$ -	$ 463,599

Note 13 – Subsequent Events

Subsequent to year-end, the Organization received a donor-restricted grant totaling $1,000,000. The grant is restricted for repayment of debt incurred in connection with the Organization's recent capital project and for investment in additional staffing capacity. In addition, the Organization received an approximately $555,000 solar energy incentive payment related to solar panels installed during the year ended June 30, 2025.

Subsequent to year-end, the Organization opened Liminal Coffee in Bellingham, Washington as an additional program of the Organization. Individuals who complete the Organization's recovery program are eligible to enroll in the barista program at Liminal Coffee where they receive job training, mentorship and practical skills to prepare them for independence and meaningful work beyond the coffee shop.