

6 Stones Mission Network

Financial Statements
December 31, 2024 and 2023



6 Stones Mission Network

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Independent Auditors' Report

To the Board of Directors of
6 Stones Mission Network

Opinion

We have audited the accompanying financial statements of 6 Stones Mission Network (Organization) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

As discussed in Note 2 to the financial statements, an error resulting in an understatement of grants receivable and grant revenue previously recorded as of and for the year ended December 31, 2023 was discovered by management of the Organization during the current year. Accordingly, amounts reported for grants receivable and grant revenue have been restated in the 2023 financial statements now presented and an adjustment has been made to net assets without donor restrictions as of December 31, 2023 to correct the error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Auditors' 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 auditors' 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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.

A handwritten signature in cursive script that reads "Sutton Frost Cary".

A Limited Liability Partnership

Arlington, Texas
June 3, 2025

6 Stones Mission Network
Statements of Financial Position
December 31, 2024 and 2023

	2024	As Restated 2023
Assets		
Current assets:		
Cash	\$ 1,247,501	\$ 2,348,223
Cash held for others	8,605	18,605
Contributions receivable	107,267	4,000
Grants receivable	76,251	1,313,280
Inventory	132,623	90,028
Prepaid expenses	12,563	8,974
Total current assets	1,584,810	3,783,110
Assets restricted for capital campaign:		
Cash	-	1,977,505
Contributions receivable, net	61,732	295,124
Construction in progress	-	3,344,622
Contributions receivable, net	285,867	-
Property and equipment, net	6,834,230	91,408
Right-of-use asset - finance lease, net	967,490	1,002,044
Total assets	\$ 9,734,129	\$ 10,493,813
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 19,328	\$ 1,333,674
Accrued expenses	119,501	90,013
Refundable advances	-	22,010
Due to others	8,605	18,605
Right-of-use liability - finance lease, current	46,142	27,267
Total current liabilities	193,576	1,491,569
Right-of-use liability - finance lease, net	963,188	1,009,330
Total liabilities	1,156,764	2,500,899
Net assets:		
Without donor restrictions	7,134,567	1,493,706
With donor restrictions	1,442,798	6,499,208
Total net assets	8,577,365	7,992,914
Total liabilities and net assets	\$ 9,734,129	\$ 10,493,813

See notes to financial statements.

6 Stones Mission Network
Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue from operations:			
Contributions of financial assets	\$ 437,563	\$ 1,650,172	\$ 2,087,735
Contributions of nonfinancial assets	126,977	1,069,658	1,196,635
Grants	324,026	547,999	872,025
Net assets released from restrictions	<u>8,324,239</u>	<u>(8,324,239)</u>	<u>-</u>
Total support and revenue from operations	9,212,805	(5,056,410)	4,156,395
Operating expenses:			
Program services	2,976,047	-	2,976,047
Supporting services	<u>626,341</u>	<u>-</u>	<u>626,341</u>
Total operating expenses	<u>3,602,388</u>	<u>-</u>	<u>3,602,388</u>
Change in net assets from operations	5,610,417	(5,056,410)	554,007
Non-operating income (expense):			
Interest income	44,131	-	44,131
Loss on disposal of property and equipment	<u>(13,687)</u>	<u>-</u>	<u>(13,687)</u>
Total non-operating income	<u>30,444</u>	<u>-</u>	<u>30,444</u>
Change in net assets	5,640,861	(5,056,410)	584,451
Net assets at beginning of year, as restated	<u>1,493,706</u>	<u>6,499,208</u>	<u>7,992,914</u>
Net assets at end of year	<u><u>\$ 7,134,567</u></u>	<u><u>\$ 1,442,798</u></u>	<u><u>\$ 8,577,365</u></u>

See notes to financial statements.

6 Stones Mission Network
Statement of Activities
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue from operations:			
Contributions of financial assets	\$ 2,136,976	\$ 1,682,022	\$ 3,818,998
Contributions of nonfinancial assets	183,815	819,058	1,002,873
Grants	78,471	2,329,013	2,407,484
Net assets released from restrictions	<u>1,971,516</u>	<u>(1,971,516)</u>	<u>-</u>
Total support and revenue from operations	4,370,778	2,858,577	7,229,355
Operating expenses:			
Program services	2,405,943	-	2,405,943
Supporting services	<u>732,244</u>	<u>-</u>	<u>732,244</u>
Total operating expenses	<u>3,138,187</u>	<u>-</u>	<u>3,138,187</u>
Change in net assets from operations	1,232,591	2,858,577	4,091,168
Non-operating income (expense):			
Interest income	15,591	-	15,591
Loss on disposal of property and equipment	<u>(27,857)</u>	<u>-</u>	<u>(27,857)</u>
Total non-operating expense	<u>(12,266)</u>	<u>-</u>	<u>(12,266)</u>
Change in net assets	1,220,325	2,858,577	4,078,902
Net assets at beginning of year	<u>273,381</u>	<u>3,640,631</u>	<u>3,914,012</u>
Net assets at end of year, as restated	<u>\$ 1,493,706</u>	<u>\$ 6,499,208</u>	<u>\$ 7,992,914</u>

See notes to financial statements.

6 Stones Mission Network
Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services				Supporting Services			
	Community Powered Revitalization	Community Activities	School Based Activities	Total	General and Administrative	Fundraising	Total	Total
Salaries and wages	\$ 256,484	\$ 262,361	\$ 167,921	\$ 686,766	\$ 131,758	\$ 171,470	\$ 303,228	\$ 989,994
Payroll taxes and employee benefits	79,308	65,129	45,023	189,460	50,056	47,951	98,007	287,467
Compensation and related expenses	335,792	327,490	212,944	876,226	181,814	219,421	401,235	1,277,461
Insurance	40,857	15,297	7,841	63,995	22,922	-	22,922	86,917
Professional fees and contract labor	119,404	7,914	3,670	130,988	34,063	1,259	35,322	166,310
Office	46,139	52,861	34,911	133,911	16,166	9,571	25,737	159,648
Postage and printing	3,674	4,990	2,280	10,944	1,526	904	2,430	13,374
Occupancy	137,507	56,999	28,774	223,280	84,967	1,060	86,027	309,307
Client assistance	241,820	712,365	331,983	1,286,168	-	-	-	1,286,168
Depreciation	9,427	113,466	-	122,893	9,136	-	9,136	132,029
Other	67,410	42,314	17,918	127,642	34,907	8,625	43,532	171,174
Total expenses	\$ 1,002,030	\$ 1,333,696	\$ 640,321	\$ 2,976,047	\$ 385,501	\$ 240,840	\$ 626,341	\$ 3,602,388

See notes to financial statements.

6 Stones Mission Network
Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services				Supporting Services			
	Community Powered Revitalization	Community Activities	School Based Activities	Total	General and Administrative	Fundraising	Total	Total
Salaries and wages	\$ 163,745	\$ 146,998	\$ 112,806	\$ 423,549	\$ 253,535	\$ 173,997	\$ 427,532	\$ 851,081
Payroll taxes and employee benefits	60,872	34,749	23,053	118,674	71,511	53,097	124,608	243,282
Compensation and related expenses	224,617	181,747	135,859	542,223	325,046	227,094	552,140	1,094,363
Insurance	22,982	13,474	2,620	39,076	9,662	-	9,662	48,738
Professional fees and contract labor	93,241	6,592	482	100,315	25,945	16	25,961	126,276
Office	30,616	70,848	15,822	117,286	26,132	67	26,199	143,485
Postage and printing	1,922	7,524	550	9,996	920	18	938	10,934
Occupancy	179,803	130,077	22,094	331,974	81,570	75	81,645	413,619
Client assistance	350,664	494,058	307,868	1,152,590	-	-	-	1,152,590
Depreciation	3,162	38,062	-	41,224	3,065	-	3,065	44,289
Other	26,426	40,445	4,388	71,259	29,153	3,481	32,634	103,893
Total expenses	\$ 933,433	\$ 982,827	\$ 489,683	\$ 2,405,943	\$ 501,493	\$ 230,751	\$ 732,244	\$ 3,138,187

See notes to financial statements.

6 Stones Mission Network
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	As Restated 2023
Cash flows from operating activities:		
Change in net assets	\$ 584,451	\$ 4,078,902
Adjustments to reconcile change in net assets to net cash provided (used) by operations		
Depreciation	132,029	44,289
Change in discount on contributions receivable	9,488	(5,427)
Contributions restricted for capital campaign	(1,567,065)	(2,961,821)
Amortization of right-of-use asset - finance lease	34,554	34,553
Loss on disposal of property and equipment	13,687	27,857
Changes in operating assets and liabilities:		
Contributions receivable	(401,026)	(3,820)
Grants receivable	1,237,029	(1,272,985)
Inventory	(42,595)	19,522
Prepaid expenses	(3,589)	6,681
Accounts payable	(1,314,346)	1,268,442
Accrued expenses	29,488	(3,897)
Refundable advance	(22,010)	(14,521)
Due to others	(10,000)	-
Net cash provided (used) by operating activities	(1,319,905)	1,217,775
Cash flows from investing activities:		
Proceeds from sale of property and equipment	6,500	7,500
Purchases of property and equipment	(3,550,416)	(3,278,899)
Net cash used by investing activities	(3,543,916)	(3,271,399)
Cash flows from financing activities:		
Collections of contributions restricted for capital campaign	1,802,861	4,086,668
Payments on right-of-use liability - finance lease	(27,267)	-
Net cash provided by financing activities	1,775,594	4,086,668
Net increase (decrease) in cash	(3,088,227)	2,033,044
Cash at beginning of year	4,344,333	2,311,289
Cash at end of year	\$ 1,256,106	\$ 4,344,333
Reconciliation of cash and restricted cash reported within the statements of financial position to the statements of cash flows:		
Cash	\$ 1,247,501	\$ 2,348,223
Cash held for others	8,605	18,605
Restricted cash	-	1,977,505
Total cash and restricted cash shown in the statements of cash flows	\$ 1,256,106	\$ 4,344,333
Supplemental disclosure of cash flow information:		
Additions of property and equipment included in accounts payable	-	\$ 1,316,680
Right-of-use asset in exchange for new lease liability - financing	-	\$ 1,036,597
Cash paid during the year for interest	\$ 18,875	\$ 19,148

See notes to financial statements.

6 Stones Mission Network

Notes to Financial Statements

1. Organization

6 Stones Mission Network (Organization) meets the needs of people within the community including benevolence, food, clothing and other supplies through a coalition of churches, other not-for-profit agencies and other entities.

The Organization pursues its objectives through the execution of the following major programs:

Community Powered Revitalization – This program provides home renovations in Hurst, Bedford, Euless and Grapevine, Texas and surrounding communities for the underprivileged, disabled and elderly individuals.

Compassion Ministries – This program provides emergency assistance of food, clothing and other resources to families in need.

School Based Initiatives – This program provides economically disadvantaged students with backpacks and school supplies. This program also provides gifts and Christmas dinners to families in need.

The Organization is supported primarily through contributions and grants from individuals, foundations, businesses and governmental entities.

2. Restatement of Previously Audited Financial Statements

The Organization's previously audited financial statements for the year ended December 31, 2023 were restated to properly recognize a grant receivable as of and for the year ended December 31, 2023 resulting in an increase to grants receivable and grants revenue totaling \$1,254,060.

3. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

6 Stones Mission Network

Notes to Financial Statements

Financial Statement Presentation

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

Net assets without donor restrictions - Net assets not subject to donor or grantor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor stipulations or grant restrictions. Some restrictions are temporary in nature, such as those that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. As of December 31, 2024 and 2023, no such net asset restrictions existed.

The Organization reports contributions restricted by donors as increases in net assets with donor restrictions. When a restriction expires, 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. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and contributions and grants receivable. Cash is placed with high credit quality financial institutions to minimize risk. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024, the Organization's uninsured balances totaled \$989,049. The Organization has not experienced losses on such assets.

Contributions and Grants Receivable

Contributions and grants receivable are recorded at net realizable value. Management evaluates the adequacy of the allowance for credit losses based on a review of individual accounts. The primary factors considered in determining the amount of the allowance are collection history, the aging of the accounts and other specific information known to management that may affect collectability. No allowance for credit losses was considered necessary at December 31, 2024 and 2023.

At December 31, 2024 and 2023, 90% and 100% of grants receivable was due from three and two governmental entities, respectively. At December 31, 2024 and 2023, 85% and 70% of total contributions receivable was due from one and four donors, respectively. For the years ending December 31, 2024 and 2023, 24% and 78% of total contributions were from one donor, respectively.

6 Stones Mission Network

Notes to Financial Statements

Inventory

Inventory consists of purchased and donated food and new toys. These items are distributed to clients free of charge and are recorded at estimated fair market value.

Property and Equipment

Property and equipment purchased by the Organization are stated at cost or if acquired by gift, at fair market value at the date of the donation. The Organization capitalizes property and equipment over \$2,000; the fair value of donated fixed assets is similarly capitalized. Property and equipment are depreciated using the straight-line method over estimated useful lives of the assets, which range from 10 to 15 years for buildings and improvements and 3 to 15 years for vehicles and equipment.

Contributions restricted by the donor for the purchase or construction of capital assets are reported as contributions with donor restrictions and released when the asset is placed in service.

Management of the Organization periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based on the estimated future cash inflows attributable to the asset less estimated future cash outflows. No such loss was recognized during the years ended December 31, 2024 and 2023.

Due to Others

Due to others represents amounts collected by the Organization from a school district. These funds are returnable to the school district upon request and all funds distributed are determined at the school district's discretion.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give (contributions receivable) that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting measurable performance or other barriers are reported as refundable advances. At December 31, 2024 and 2023, no such refundable advances from conditional promises to give existed.

6 Stones Mission Network

Notes to Financial Statements

The Organization receives economic revitalization grants from various participating cities. The city grant awards generally include a specified amount restricted to support administration of the Organization's community powered revitalization program and a maximum annual match to reimburse the Organization for a percentage of allowable project costs. The portion of the grant award restricted for administration is recognized as restricted grant income upon receipt of the award. Grant income subject to allowable project costs is recognized as revenue in the month the allowable project expenses are incurred. Amounts received prior to incurring the allowable project expenses are reported as refundable advances. At December 31, 2023, refundable advances from grants totaled \$22,010. At December 31, 2024, no such refundable advances from grants existed.

The Organization has \$92,314 and \$110,376 of conditional grants that have not been recognized in the financial statements at December 31, 2024 and 2023, respectively. The grants will be recognized as revenue when the conditions, which include performance of allowable activities and incurring allowable expenses, are met.

The Organization receives donated food and grocery products from the general public, food drives, philanthropic and compassion agencies, churches and local area merchants. These donations are valued as of the latest valuation study of Feeding America. Undistributed food is kept in controlled environments and held as inventory until distributed.

The Organization recognizes the fair value of donated food and grocery products as in-kind contributions upon receipt of goods and as client assistance expense when provided to the Organization's clients.

Donations of the use of facilities are primarily donated by a church and are reflected as contributions at their estimated fair values at date of receipt.

The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

In order to enable the Organization to meet its mission, a substantial number of volunteers donate significant amounts of their time to the Organization's programs and fundraising functions. These amounts do not meet the requirements for recognition in the financial statements.

Grant Compliance

The Organization is responsible for compliance with provisions of contracts and grant agreements. Noncompliance could result in the disallowance of expenditures and a request for reimbursement. In the opinion of the Organization's management, such disallowance, if any, would not be significant to the Organization's financial statements.

6 Stones Mission Network

Notes to Financial Statements

Federal Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. For the years ended December 31, 2024 and 2023, the Organization had no material unrelated business income. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising costs for the years ended December 31, 2024 and 2023 totaled \$11,025 and \$5,648, respectively.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between program services and support services based on management's judgment considering space used, time spent or direct relation to the program or support service benefited.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimated.

6 Stones Mission Network
Notes to Financial Statements

4. Assets Restricted for Capital Campaign

During the year ended December 31, 2020, the Organization initiated a capital campaign for new facilities. The facilities were placed in service during the year ended December 31, 2024. Net assets restricted for the capital campaign consist of the following for the years ended December 31:

	2024	2023
Cash	\$ -	\$ 1,977,505
Contributions receivable, net	61,732	295,124
Construction in progress	-	3,344,622
	\$ 61,732	\$ 5,617,251

5. Contributions Receivable

Contributions receivable are expected to be collected as follows at December 31:

	2024	2023
Contributions due in one year or less	\$ 136,267	\$ 205,221
Receivable between one to five years	331,853	97,669
	468,120	302,890
Less: discount to present value	(13,254)	(3,766)
	\$ 454,866	\$ 299,124

Long-term contributions receivable for the years ended December 31, 2024 and 2023 are discounted using a rate of 4.16% and 4.01%, respectively.

6 Stones Mission Network
Notes to Financial Statements

6. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Building and improvements	\$ 6,586,034	\$ 138,229
Vehicles and equipment	413,928	256,725
Furniture and fixtures	63,132	-
Software	75,270	29,100
Construction in progress	-	3,344,622
	<u>7,138,364</u>	<u>3,768,676</u>
Less: accumulated depreciation	<u>(304,134)</u>	<u>(332,646)</u>
	<u>\$ 6,834,230</u>	<u>\$ 3,436,030</u>

Depreciation expense totaled \$132,029 and \$44,289 for the years ended December 31, 2024 and 2023, respectively.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of amounts restricted by donors for the following purposes at December 31:

	<u>2024</u>	<u>2023</u>
Community revitalization	\$ 749,041	\$ 616,049
Community activities	346,158	265,908
Capital campaign	61,732	5,617,251
Time restricted	285,867	-
	<u>\$ 1,442,798</u>	<u>\$ 6,499,208</u>

6 Stones Mission Network
Notes to Financial Statements

8. Contributions of Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the year ended December 31, 2024:

	Program Services	General and Administrative	Total
Food	\$ 547,380	\$ 3,853	\$ 551,233
Goods	184,614	2,750	187,364
Rent	141,758	53,640	195,398
Services	239,505	23,135	262,640
	<u>\$ 1,113,257</u>	<u>\$ 83,378</u>	<u>\$ 1,196,635</u>

The Organization received the following contributions of nonfinancial assets during the year ended December 31, 2023:

	Program Services	General and Administrative	Total
Food	\$ 314,790	\$ 244	\$ 315,034
Goods	293,777	5,481	299,258
Rent	250,635	61,973	312,608
Services	58,837	17,136	75,973
	<u>\$ 918,039</u>	<u>\$ 84,834</u>	<u>\$ 1,002,873</u>

Food

Contributed food is valued using the latest valuation study of Feeding America with prices of \$1.97 and \$1.93 per pound at December 31, 2024 and 2023, respectively.

Goods

Contributed goods are reported at the fair market value of similar goods.

Rent

Contributed building space and utility usage is reported at fair market value of space and rent.

6 Stones Mission Network

Notes to Financial Statements

Services

Contributed services are valued based on the rate that would have been charged by the donor.

A portion of the total contributions of nonfinancial assets received during the years ended December 31, 2024 and 2023 are restricted for use of the specific program designated by the donors.

9. Employee Benefit Plan

The Organization participates in a multiple employer defined contribution plan. Employees may choose to contribute a set amount or percentage of their eligible pay up to Internal Revenue Service set limits. Contributions are made on behalf of eligible employees ranging from 2% to 15% of employee compensation depending on tenure and position. The Organization's contributions to the plan totaled \$83,847 and \$61,918 for the years ended December 31, 2024 and 2023, respectively.

10. Liquidity and Availability of Resources

The Organization's financial assets available for general expenditure within one year are as follows at December 31:

	2024	2023
Cash	\$ 1,247,501	\$ 2,348,223
Contributions receivable, current	136,267	205,221
Grants receivable	76,251	59,220
Total financial assets	1,460,019	2,612,664
Less amounts not available for general expenditures within one year:		
Donor-imposed restrictions	(1,095,199)	(881,957)
Financial assets available to meet cash needs for general expenditures within one year	\$ 364,820	\$ 1,730,707

The Organization receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. The Organization has a goal to maintain financial assets to meet 60 days of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

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Notes to Financial Statements

11. Lease

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for property of its new office space. The Organization has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization used the implicit rate provided in the lease agreement to determine the present value of lease payments.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position.

Nature of Lease

The Company entered into a non-cancelable finance lease arrangement for property of its new building for office space that expires on December 31, 2052. The lease requires the Organization to pay all executory costs (taxes, utilities, insurance, etc.). Termination of the lease is generally prohibited unless there is a violation under the lease agreement.

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Notes to Financial Statements

Future minimum lease payments and reconciliation to the statements of financial position at December 31, 2024 are as follows for the years ending December 31:

2025	\$	46,142
2026		46,142
2027		46,142
2028		46,142
2029		46,142
Thereafter		<u>1,061,274</u>
Total future undiscounted lease payments		1,291,984
Less present value discount		<u>(282,654)</u>
Lease liability		<u><u>\$ 1,009,330</u></u>

The following is the lease cost and required information for the years ended December 31:

	2024	2023
Total lease cost	\$ 46,142	\$ 19,148
Cash paid for amounts included in the measurement of lease liabilities:		
Cash flows from lease	\$ (27,267)	\$ -
Right-of-use asset obtained in exchange for new lease liabilities	\$ -	\$ 1,036,597
Weighted-average remaining lease term:	28 years	29 years
Weighted-average discount rate:	1.85%	1.85%

12. Related Party Transactions

During the years ended December 31, 2024 and 2023, the Organization received contributions from board members totaling \$259,227 and \$285,990, respectively. At December 31, 2024 and 2023, \$2,058 and \$146,390 of contributions receivable were due from board members, respectively.

13. Subsequent Events

Management has evaluated subsequent events through June 3, 2025, the date the financial statements were available to be issued, and concluded that no disclosures are required.