

**JOSEPH'S COAT**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Joseph's Coat  
St. Paul, Minnesota

### Report on the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of Joseph's Coat, 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 Joseph's Coat as of December 31, 2024 and 2023, and the changes in 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***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. 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 Joseph's Coat and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Joseph's Coat's ability to continue as a going concern for one year after the date 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 U.S. 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 U.S. 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 Joseph's Coat'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 Joseph's Coat'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.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
May 20, 2025

**JOSEPH'S COAT  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
Cash	\$ 106,580	\$ 27,277
Certificates of Deposit	89,448	139,483
Investments	1,051,218	987,932
Grants Receivable	2,827	23,050
Property and Equipment, Net of Accumulated Depreciation	401	401
Right-of-Use Asset - Operating	216,338	257,796
Total Assets	\$ 1,466,812	\$ 1,435,939
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 28,911	\$ 9,314
Lease Liability - Current Portion	41,758	40,577
Lease Liability - Net of Current Portion	179,024	220,782
Total Liabilities	249,693	270,673
<b>NET ASSETS</b>		
Without Donor Restrictions	1,217,119	1,153,102
With Donor Restrictions	-	12,164
Total Net Assets	1,217,119	1,165,266
Total Liabilities and Net Assets	\$ 1,466,812	\$ 1,435,939

See accompanying Notes to Financial Statements.

**JOSEPH'S COAT  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>						
Grants	\$ 80,794	\$ 4,351	\$ 85,145	\$ 29,093	\$ 20,000	\$ 49,093
Contributions	247,916	-	247,916	200,150	-	200,150
In-Kind Contributions	760,436	-	760,436	641,196	-	641,196
Consignment	30,386	-	30,386	41,898	-	41,898
Special Events (Net of Direct Benefit Expense to Donors of \$5,153 and \$-0- in 2024 and 2023, Respectively)	68,187	-	68,187	-	-	-
Net Investment Income	88,252	-	88,252	113,461	-	113,461
Other Income	1,053	-	1,053	-	-	-
Net Assets Released from Restrictions	16,515	(16,515)	-	7,836	(7,836)	-
Total Revenue	<u>1,293,539</u>	<u>(12,164)</u>	<u>1,281,375</u>	<u>1,033,634</u>	<u>12,164</u>	<u>1,045,798</u>
<b>EXPENSES</b>						
Program Expenses	1,082,477	-	1,082,477	948,059	-	948,059
Management and General	69,905	-	69,905	119,316	-	119,316
Fundraising	77,141	-	77,141	16,417	-	16,417
Total Expenses	<u>1,229,522</u>	<u>-</u>	<u>1,229,522</u>	<u>1,083,792</u>	<u>-</u>	<u>1,083,792</u>
<b>CHANGE IN NET ASSETS</b>	64,017	(12,164)	51,853	(50,158)	12,164	(37,994)
Net Assets - Beginning of Year	<u>1,153,102</u>	<u>12,164</u>	<u>1,165,266</u>	<u>1,203,260</u>	<u>-</u>	<u>1,203,260</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 1,217,119</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,217,119</u></u>	<u><u>\$ 1,153,102</u></u>	<u><u>\$ 12,164</u></u>	<u><u>\$ 1,165,266</u></u>

See accompanying Notes to Financial Statements.

**JOSEPH'S COAT  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2024**

	Program	Administrative	Fundraising	Direct Donor Benefits	Total
Salaries	\$ 163,979	\$ 25,228	\$ 63,069	\$ -	\$ 252,275
Payroll Taxes	12,562	1,933	4,832	-	19,327
Total Personnel Expenses	<u>176,541</u>	<u>27,161</u>	<u>67,901</u>	-	<u>271,602</u>
Insurance	8,148	905	-	-	9,053
Professional Services	-	30,236	-	-	30,236
Miscellaneous	873	94	-	-	967
Cintas	10,649	1,183	-	-	11,832
Meals	4,171	464	-	4,465	9,100
Advertisement	409	45	758	688	1,900
Occupancy	59,063	6,563	-	-	65,626
Security	3,429	-	-	-	3,429
Office	5,842	649	86	-	6,577
Printing and Postage	7,334	-	8,396	-	15,730
Program Supplies	22,147	-	-	-	22,147
Repairs and Maintenance	5,473	608	-	-	6,081
Telephone	2,282	254	-	-	2,536
Information Technology	4,553	506	-	-	5,059
Travel	5	1	-	-	6
Contributed Merchandise and Clothing	760,436	-	-	-	760,436
Utilities	11,122	1,236	-	-	12,358
Total	<u>1,082,477</u>	<u>69,905</u>	<u>77,141</u>	<u>5,153</u>	<u>1,234,675</u>
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,153)</u>	<u>(5,153)</u>
Total Expenses	<u>\$ 1,082,477</u>	<u>\$ 69,905</u>	<u>\$ 77,141</u>	<u>\$ -</u>	<u>\$ 1,229,522</u>

See accompanying Notes to Financial Statements.

**JOSEPH'S COAT  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023**

	Program	Administrative	Fundraising	Direct Donor Benefits	Total
Salaries	\$ 153,364	\$ 18,043	\$ 9,021	\$ -	\$ 180,428
Payroll Taxes	13,222	1,556	778	-	15,556
Total Personnel Expenses	166,586	19,599	9,799	-	195,984
Insurance	6,407	1,602	-	-	8,009
Legal and Accounting	-	69,595	-	-	69,595
Miscellaneous	1,055	264	-	-	1,319
Cintas	7,624	1,906	-	-	9,530
Meals	3,295	824	-	-	4,119
Advertisement	396	99	-	-	495
Occupancy	55,342	13,836	-	-	69,178
Security	2,692	673	-	-	3,365
Office	6,470	1,618	-	-	8,088
Printing and Postage	6,618	-	6,618	-	13,236
Program Supplies	13,182	-	-	-	13,182
Repairs and Maintenance	14,714	3,679	-	-	18,393
Telephone	1,366	341	-	-	1,707
Information Technology	5,662	1,416	-	-	7,078
Travel	3,827	957	-	-	4,784
Contributed Merchandise and Clothing	641,196	-	-	-	641,196
Utilities	11,627	2,907	-	-	14,534
Total	948,059	119,316	16,417	-	1,083,792
Special Event Expenses	-	-	-	-	-
Total Expenses	<u>\$ 948,059</u>	<u>\$ 119,316</u>	<u>\$ 16,417</u>	<u>\$ -</u>	<u>\$ 1,083,792</u>

See accompanying Notes to Financial Statements.

**JOSEPH'S COAT  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 51,853	\$ (37,994)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Unrealized and Realized (Gain) Loss on Investments	(67,800)	(93,416)
(Increase) Decrease in Current Assets:		
Grants Receivable	20,223	(13,139)
Other Assets	-	5,428
Increase (Decrease) in Current Liabilities:		
Accounts Payable and Accrued Expenses	19,597	(32)
Change in Operating Right-of-Use Asset and Lease Liability	881	3,563
Net Cash Provided (Used) by Operating Activities	24,754	(135,590)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds (Purchases) - Certificates of Deposit	50,035	(1,035)
Purchase of Investments	(18,280)	(19,010)
Proceeds from the Sale of Investments	22,794	130,000
Net Cash Provided by Investing Activities	54,549	109,955
<b>NET INCREASE (DECREASE) IN CASH</b>	79,303	(25,635)
Cash - Beginning of Year	27,277	52,912
<b>CASH - END OF YEAR</b>	\$ 106,580	\$ 27,277

See accompanying Notes to Financial Statements.

**JOSEPH'S COAT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Joseph's Coat (the Organization) is a nonprofit, inner city, free store providing clothing and household items for the poor and homeless. As a store-front community, they recognize the common need for the physical necessities of life as well as a sense of self-worth and meaning. They offer encouragement and support for persons in the midst of conflict confronted by crisis or moving through transition. They believe that their small size and simplicity fosters a sense of person-to-person sharing among those who receive and who give through donation or service. Joseph's Coat is a sign of hope, trust, and love to the people within their community.

Joseph's Coat mission statement is "a free store providing goods and services to those in need within an environment of dignity and respect." The Organization's vision statement further expresses the mission:

Joseph's Coat is valued for its compassionate accessible and effective service to the poor. As an inner-city free store, Joseph's Coat serves multiple constituents within the community. It provides physical necessities and encouragement to those in need. It partners with donors so they can contribute the time, money, service, and goods directly to those who need them. It networks with other agencies to provide services to the poor. Joseph's Coat serves as a sign of hope, trust, and caring to the people within our community.

**Financial Statement Presentation**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, which will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Cash and Certificates of Deposit**

Cash consists of a bank checking account. Certificates of deposit are stated at cost and have terms of 12 to 24 months. At times balances in cash and certificates of deposit may exceed the limits of Federal Deposit Insurance Corporation insurance.

**JOSEPH'S COAT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

Investments are carried at fair value based on quoted market prices. Realized and unrealized gains and losses are recognized in the period in which they occur and are recorded in the statements of activities. Due to market volatility with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in future statements of activities.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Organization has elected to measure all investments at fair value. The Organization may elect to measure newly acquired financial instruments at fair value in the future.

**Grants Receivable**

Grants receivable are recorded at fair value at the time of the gift. Conditional pledges are not included as support until such time as the conditions are substantially met. There are no conditional promises outstanding as of December 31, 2024 and 2023. Grants receivable are expected to be collected in greater than one year are recorded at the present value of the amounts expected to be collected using a discount rate reflective of the market and conditions at the time of the gift. Amortization of the discount is included in contribution revenue. As of December 31, 2024 and 2023, all amounts are expected to be collected in one year. The Organization provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. An allowance is provided when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the receivables are written off against the related allowance. At December 31, 2024 and 2023, an allowance was not warranted.

**Property and Equipment**

Property and equipment consist of leasehold improvements that are stated at cost. Contributed property and equipment are recorded at fair value at the date of contribution. Depreciation is provided on a straight-line basis over the shorter of the term of the lease or useful life.

**JOSEPH'S COAT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Revenue is recognized on the accrual basis and generally consists of grants, contributions, special events, in-kind contributions and consignment revenue. The consignment revenue is considered to be exchange revenue and is recognized as revenue when the performance obligations are met which is the sale of the goods. Consignment contributions are items that are sold to support the operations of the Organization and are valued at the amount the items are sold for. There were no contract assets or liabilities as of December 31, 2024, 2023 and 2022. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted contributions are reported 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. Contributions restricted by donors that have satisfied the donor-imposed restrictions during the year of the contribution are recorded as contributions without donor restrictions.

Special event revenue is earned when the event occurs. These amounts generally consist of contributions, ticket sales and proceeds from the silent auction. The exchange element of the special event revenue was approximately \$5,153 and \$-0- for the years ended December 31, 2024 and 2023. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

**Donated Goods and Services**

No amounts for contributed services have been reflected in the accompanying financial statements since the services do not meet accounting standards criteria for recognition. The criteria require that donated services create or enhance financial assets, require specialized skills which would be purchased if not donated and have an objective basis for measurement. However, many volunteers from the community have contributed time and services to the Organization throughout the year.

The Organization reports gifts of clothing, household, and personal items as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. The Organization estimates the fair value of in-kind contributions by sampling distributed bags of items based on each shopper throughout the year. The Organization assigned value to the items in the bags based on the Internal Revenue Service guidelines and valuation guide for Goodwill Donors of each item based on quality and description. The average value calculated from the sample was used to determine in-kind valuation amount. For the years ended December 31, 2024 and 2023, in-kind contributions were \$74 and \$78 per shopper, respectively.

**JOSEPH'S COAT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements**

The Organization follows accounting standards that define fair value, establish a framework for measuring fair value in accordance with existing accounting principles generally accepted in the United States of America, and expand disclosures about fair value measurements. The framework provides a fair value hierarchy that prioritizes inputs according to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described below:

*Level 1* – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

*Level 2* – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

*Level 3* – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

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

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates used.

**Functional Allocation of Expense**

The cost of providing various program and other activities have been summarized on a natural basis in the statements of activities. Salaries and related expenses are allocated based on the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or support services, are allocated on the best estimates of management. Contributed merchandise and clothing is allocated directly to program expenses.

**Income Tax**

The Organization has tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC) and Minnesota statute 290.05 and has been classified as an organization that is not a private foundation under the IRC and charitable contributions by donors are tax deductible. The Organization is not aware of any unrelated business income, which would be subject to tax.

**JOSEPH'S COAT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Tax (Continued)**

The Organization follows guidance in the income tax standard regarding the recognition of uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Organization is not aware of any uncertain tax positions. The Organization's tax returns are subject to review and examination by federal and state authorities.

**Leases**

The Organization determines if an arrangement is a lease at inception. Leases are reported on the statements of financial position as a right-of-use (ROU) asset and lease liability.

ROU assets represent the Organization's right to use an underlying asset for a lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liability.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 20, 2025, the date the financial statements were approved to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors the availability of resources required to meet its operating needs and other commitments. As part of the Organization's liquidity management, annual operating budgets are built so that revenue breaks even with expenses.

**JOSEPH'S COAT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of December 31:

	2024	2023
Cash	\$ 106,580	\$ 27,277
Certificates of Deposit	89,448	139,483
Less: Net Assets With Donor Restrictions	-	(12,164)
Total	\$ 196,028	\$ 154,596

The Organization also has an investment balance of \$1,051,218 and \$987,932 as of December 31, 2024 and 2023, respectively. These investments are without donor restrictions.

**NOTE 3 INVESTMENTS**

Investments consist of the following at December 31:

	2024	2023
Cash and Short-Term Investments	\$ 50,186	\$ 19,093
Equity Mutual Funds	431,821	432,473
Fixed Income Mutual Funds	324,431	252,151
Equity Exchange Traded Funds	159,894	168,373
Fixed Income Exchange Traded Funds	84,886	115,842
Total	\$ 1,051,218	\$ 987,932

**NOTE 4 FAIR VALUE MEASUREMENTS**

The following table summarized the valuation of the Organization's investments by the fair value hierarchy levels described in Note 1 as of December 31:

	2024			Total
	Level 1	Level 2	Level 3	
Equity Mutual Funds	\$ 431,821	\$ -	\$ -	\$ 431,821
Fixed Income Mutual Funds	324,431	-	-	324,431
Equity Exchange Traded Funds	159,894	-	-	159,894
Fixed Income Exchange Traded Funds	84,886	-	-	84,886
Subtotal	1,001,032	-	-	1,001,032
Cash and Short-Term Investments	-	-	-	50,186
Total	\$ 1,001,032	\$ -	\$ -	\$ 1,051,218

**JOSEPH'S COAT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

	2023			Total
	Level 1	Level 2	Level 3	
Equity Mutual Funds	\$ 432,473	\$ -	\$ -	\$ 432,473
Fixed Income Mutual Funds	252,151	-	-	252,151
Equity Exchange Traded Funds	168,373	-	-	168,373
Fixed Income Exchange Traded Funds	115,842	-	-	115,842
Subtotal	968,839	-	-	968,839
Cash and Short-Term Investments	-	-	-	19,093
Total	<u>\$ 968,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 987,932</u>

**NOTE 5 DONATED SERVICES AND ASSETS**

The Organization receives significant in-kind contributions of goods from members of the community and volunteers related to program operation. For the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included:

	Revenue Recognized		Utilization in Programs/Activities	Donor Restrictions	Valuation Technique
	December 31, 2024	2023			
Contributed Merchandise and Clothing	\$ 760,436	\$ 641,196	Supports Mission of Organization	None	Internal Revenue Service and Guide for Goodwill Donors Guidelines

**NOTE 6 LEASES**

The Organization leases office space under noncancelable lease agreements that expire in 2029. Under the terms of the agreement, the Organization is committed to annual rentals adjusted for defined escalations.

The following table provides quantitative information concerning the Organization's leases as of December 31:

Lease Costs:	2024	2023
Operating Lease Costs	\$ 44,831	\$ 44,831
Short-Term Lease Costs	-	-
Total Lease Costs	<u>\$ 44,831</u>	<u>\$ 44,831</u>
 Other Information:		
Operating Cash Flows from Operating Leases	\$ 43,950	\$ 43,350
Weighted-Average Remaining Lease Term	4.9 Years	5.9 Years
Weighted-Average Discount Rate	1.41%	1.41%

**JOSEPH'S COAT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 6 LEASES (CONTINUED)**

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024, is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2025	\$ 44,550
2026	45,150
2027	45,750
2028	46,350
2029	46,800
Thereafter	-
Total Lease Payments	<u>228,600</u>
Less: Imputed Interest	<u>(7,818)</u>
Present Value of Lease Liabilities	<u><u>\$ 220,782</u></u>

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net Assets with donor restrictions were as follows at December 31:

	<u>2024</u>	<u>2023</u>
Purpose Restrictions:		
Hygiene Products	\$ -	\$ 12,164
Total	<u><u>\$ -</u></u>	<u><u>\$ 12,164</u></u>



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