



**Good News Outreach, Inc.
and Subsidiary**

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022

Good New Outreach, Inc. and Subsidiary
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December 31, 2023 and 2022



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REPORT





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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management
Good News Outreach, Inc. and Subsidiary
Tallahassee, Florida

Opinion

We have audited the accompanying consolidated financial statements of the Good News Outreach, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Good News Outreach, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Good News Outreach, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Good News Outreach, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Good News Outreach, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Good News Outreach, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida

December 10, 2024



**CONSOLIDATED
FINANCIAL STATEMENTS**

Good News Outreach, Inc. and Subsidiary
Consolidated Statements of Financial Position

<i>December 31,</i>	2023	2022
Assets		
Current assets		
Cash	\$ 87,598	\$ 290,776
Grants and other receivables	9,600	8,300
Rent receivable - net	25,238	31,338
Other assets	4,711	16,974
Total current assets	127,147	347,388
Non-current assets		
Property and equipment - net	2,465,461	2,418,412
Security deposits	3,445	2,445
Operating lease right-of-use assets, net	2,474	3,604
Total non-current assets	2,471,380	2,424,461
Total assets	\$ 2,598,527	\$ 2,771,849
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 19,807	\$ 64,696
Accrued expenses	31,648	36,879
Refundable advances	-	1,150
Current portion of operating lease liabilities	1,167	1,094
Current portion of long-term debt	49,905	55,507
Total current liabilities	102,527	159,326
Non-current liabilities		
Deposits received	3,930	28,577
Operating lease liabilities, less current portion	1,307	2,510
Long-term debt, less current portion	1,155,341	1,118,890
Total non-current liabilities	1,160,578	1,149,977
Total liabilities	1,263,105	1,309,303
Net assets		
Without donor restrictions		
Undesignated	1,294,072	1,443,186
With donor restrictions		
Restricted for purpose or time	41,350	19,360
Total net assets	1,335,422	1,462,546
Total liabilities and net assets	\$ 2,598,527	\$ 2,771,849

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

Good News Outreach, Inc. and Subsidiary Consolidated Statements of Activities

<i>For the years ended December 31,</i>	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Total
Revenue and Other Support				
Rental income	\$ 411,333	\$ -	\$ 411,333	\$ 457,998
In-kind contributions	231,578	-	231,578	411,659
Direct public support	78,763	78,500	157,263	128,356
Special events	68,396	-	68,396	38,881
Grant revenue	61,950	-	61,950	96,876
Contributions	40,000	-	40,000	60,000
Other income	778	-	778	27,558
Net assets released from restrictions				
Satisfaction of donor restrictions	56,510	(56,510)	-	-
Total revenue and other support	949,308	21,990	971,298	1,221,328
Expenses				
Program services	875,165	-	875,165	1,189,028
Supporting services				
Management and general	148,899	-	148,899	191,454
Fundraising	74,358	-	74,358	39,169
Total expenses	1,098,422	-	1,098,422	1,419,651
Change in Net Assets	(149,114)	21,990	(127,124)	(198,323)
Net assets at beginning of year	1,443,186	19,360	1,462,546	1,660,869
Net assets at end of year	\$ 1,294,072	\$ 41,350	\$ 1,335,422	\$ 1,462,546

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

Good News Outreach, Inc. and Subsidiary Consolidated Statements of Functional Expenses

For the years ended December 31,	Program Services										Supporting Services			2022			
	Maryland					Program					Management and General			Supporting Services		2022	
	Oaks	Elder Services	Food Ministry	Mercy House	Women's Re-entry	Subtotal	Services	Subtotal	Fundraising	Subtotal	2023 Total	2022 Total	Summarized Total				
Salaries and related benefits	\$ 47,371	\$ 19,633	\$ 31,769	\$ 35,013	\$ 42,277	\$ 176,063	\$ 190	\$ 54,149	\$ 85,806	\$ 261,869	\$ 376,726						
Food	-	11,520	212,792	-	-	224,312	3,190	3,000	3,190	227,502	412,957						
Depreciation	89,227	11,728	-	4,205	11,728	116,888	669	-	669	117,557	119,278						
Utilities	75,855	311	1,655	12,611	3,724	94,156	13,425	-	13,425	107,581	67,813						
Contract Labor	32,931	2,071	395	1,578	1,225	38,200	34,482	-	34,482	72,682	60,522						
Insurance	11,849	21,831	4,704	6,223	7,535	52,142	11,165	-	11,165	63,307	59,327						
Repairs and maintenance	31,365	14,119	3,342	7,043	914	56,783	1,042	-	1,042	57,825	39,145						
Interest	32,906	-	-	-	-	32,906	9,301	-	9,301	42,207	43,063						
Client expenses	300	1,641	14,192	4,302	1,775	22,210	200	-	200	22,410	21,218						
Telephone	9,007	54	54	4,722	3,136	16,973	4,819	-	4,819	21,792	20,954						
Pest control	5,140	-	8,645	1,986	-	15,771	1,421	-	1,421	17,192	12,417						
Dues, licenses, taxes	3,371	-	79	358	-	3,808	9,044	3,201	12,245	16,053	17,188						
Miscellaneous	2,164	207	350	1,047	633	4,401	4,982	2,662	7,644	12,045	22,688						
Professional fees	-	-	-	-	-	-	10,250	-	10,250	10,250	10,250						
Supplies	2,032	492	1,857	2,021	888	7,290	551	1,888	2,439	9,729	8,193						
Printing and copying	-	-	-	-	-	-	6,030	2,947	8,977	8,977	5,441						
Bad debt	6,552	-	-	-	-	6,552	-	-	-	6,552	63,605						
Equipment rental/purchases	3,745	-	206	-	-	3,951	2,155	-	2,155	6,106	7,887						
Fundraising expenses	-	-	-	-	-	-	-	5,560	5,560	5,560	5,692						
Bank charges	13	-	-	-	-	13	2,688	263	2,951	2,964	1,798						
Office supplies	-	-	201	70	20	291	2,494	18	2,512	2,803	4,935						
Eviction expenses	2,120	-	-	-	-	2,120	-	-	-	2,120	-						
Auto expense	-	-	-	20	-	20	1,687	-	1,687	1,707	37						
Posting/shipping	-	-	315	-	-	315	301	670	971	1,286	1,699						
Employee appreciation	-	-	-	-	-	-	346	-	346	346	1,047						
Rent	-	-	-	-	-	-	-	-	-	-	24,000						
Amortization	-	-	-	-	-	-	-	-	-	-	10,399						
Computer expenses	-	-	-	-	-	-	-	-	-	-	1,372						
Total expenses	\$ 355,948	\$ 83,607	\$ 280,556	\$ 81,199	\$ 73,855	\$ 875,165	\$ 148,899	\$ 74,358	\$ 223,257	\$ 1,098,422	\$ 1,419,651						

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

Good News Outreach, Inc. and Subsidiary
Consolidated Statements of Cash Flows

<i>For the years ended December 31,</i>	2023	2022
Operating Activities		
Change in net assets	\$ (127,124)	\$ (198,323)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	117,557	129,677
Amortization of right-of-use asset	1,130	1,094
Bad debt	6,552	63,605
Changes in operating assets and liabilities:		
Grants and other receivables	(7,852)	(43,948)
Rent receivable	6,100	(11,906)
Security deposits	(1,000)	-
Other assets	12,263	(15,225)
Accounts payable	(44,889)	60,956
Accrued expenses	(5,231)	(71)
Refundable advances	(1,150)	(8,850)
Deposits	(24,647)	200
Operating lease liabilities	(1,130)	(1,094)
Net cash provided by (used in) operating activities	(69,421)	(23,885)
Investing Activities		
Purchase of property, plant and equipment	(164,606)	(127,596)
Net cash provided by (used in) investing activities	(164,606)	(127,596)
Financing Activities		
Principal payments on note payable	(47,219)	(953,706)
Proceeds from issuance of line of credit	24,000	-
Proceeds from issuance of note payable	54,068	918,000
Net cash provided by (used in) financing activities	30,849	(35,706)
Net change in cash	(203,178)	(187,187)
Cash at beginning of year	290,776	477,963
Cash at end of year	\$ 87,598	\$ 290,776
Schedule of Certain Cash Flow Information		
Cash paid for interest	\$ 43,007	\$ 24,105

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

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Good News Outreach, Inc., a nonprofit corporation, is a private sector, volunteer driven, multi-denominational Christian faith-based organization dedicated to relieving physical, mental, emotional, and spiritual suffering to those within our surrounding community regardless of their religious beliefs or lack thereof. Good News Outreach, Inc. has a thirty-plus year history in Tallahassee as a non-profit 501(c)(3) Florida corporation. It accomplishes its mission through five programs: Elder Services, Food Ministry, the Mercy House, Maryland Oaks, and Promise Zone.

Good News Outreach, Inc. was originally founded in 1985 to demonstrate the Gospel of Christ in word and action. It serves as a social service agency providing for the material, emotional, and spiritual needs of individuals, families, and children in the North Florida area. It operates a ministry to elders and those in need of food, a prison ministry, and two homes for men recently released from prison. It also operates modular home units that provide low income housing for single women and men with children and families who are in danger of being homeless. Good News Outreach, Inc. is supported primarily through rental income, in-kind contributions, and donor contributions and grants from the Florida Department of Corrections (DOC), the Beatitude Foundation, and Community Human Service Partnership (CHSP).

Good News Outreach, Inc. is the sole member of the limited liability corporation, GNO Fourth Avenue, LLC. GNO Fourth Avenue, LLC was established as a 501(c)(3) organization in May 2021. Good News Outreach, Inc. and Subsidiary are referred to as “the Company” throughout these consolidated financial statements. GNO Fourth Avenue was created to engage in any lawful business in which a limited liability company may engage in furtherance of the exempt purposes of its member, Good News Outreach, Inc.

The Company’s program services consist of the following:

Maryland Oaks – The Company maintains a mobile home park that provides rent-subsidized housing for single-parents with children, veterans, and the handicapped.

Elder Services – The Company provides support to seniors in the community including grocery delivery and general assistance.

Food Ministry – The Company distributes food to Leon County residents in need.

Mercy House – The Company provides housing for formerly incarcerated men as they begin their journey toward becoming contributing members of society.

Women’s Re-entry – The Company provides housing for formerly incarcerated women as they begin their journey toward becoming contributing members of society.

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to contributions of non-financial assets and allocation of functional expenses.

Comparative Financial Information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Company's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Principles of Consolidation

The consolidated financial statements include the accounts of Good News Outreach, Inc. and GNO Fourth Avenue, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash

Cash consists of demand deposits with financial institutions including credit unions. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) while deposits with credit unions are insured by the National Credit Union Company (NCUA). Both the FDIC and NCUA are insured up to \$250,000 per depositor. Deposits at times may exceed federally or nationally insured limits. The Company has not experienced any losses in such accounts.

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Other Receivables

Grants and other receivables represent amounts owed to the Company which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. The allowance for credit losses was \$3,964 and \$71,126 at December 31, 2023 and 2022, respectively.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets.

Leases

The Company leases office equipment. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities within 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. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Leave Policy

The Company's policy is to pay employees for up to 200 hours of accrued leave upon termination. At December 31, 2023 and 2022, the Company had paid time off accrued of \$12,711 and \$10,137, respectively, which is included in accrued expenses on the statements of financial position.

Net Assets

The Company reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Company, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Rental income and special events are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Assets

Donated investments, property, and other noncash donations are recorded as contributions at their fair values at the date of donation.

The Company received donated food and supplies for the Food Ministry program with an estimated value of \$210,483 and \$345,971 for the years ended December 31, 2023 and 2022, respectively. The Company also received donated food and supplies for the Elder Services program with an estimated value of \$11,520 and \$64,548 for the years ended December 31, 2023 and 2022, respectively. The Company also received donated furniture and equipment with an estimated value of \$9,575 for the year ended December 31, 2023 and received a donated vehicle with an estimated value of \$1,140 for the year ended December 31, 2022.

These donations met the criteria for recognition in accordance with accounting principles generally accepted in the United States of America and are therefore reflected in the accompanying statements of activities.

Donated Services

A significant portion of the Company's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying consolidated financial statements. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Company.

Many volunteers provide services throughout the year that are not recognized as contributions in the financial statements, because the recognition criteria under FASB ASC 958-605 were not met. It is impracticable to determine the fair market value of all donated services by the volunteers of the Company beyond those required to be recognized as income. However, a substantial number of the volunteers donate significant amounts of their time in the Company's program services and fundraising campaigns.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries and grants are allocated based on time and effort by individual. Other expenses, such as office supplies, are allocated on a shared cost method for expenses related to the program.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Company is exempt from taxes on income other than unrelated business income. Income from certain activities not directly related to their tax exempt purposes is subject to taxation as unrelated business income.

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

The Company utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2023 and 2022, the Company has no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

Interest Expense

Interest expense is expensed as incurred.

Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 10, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Company adopted ASU 2016-13 on January 1, 2023. The impact of the adoption was not considered significant to the financial statements and primarily resulted in enhanced disclosures only.

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Company maintains its financial assets primarily in cash to provide liquidity to ensure funds are available as the Company's expenditures come due. The following reflects the Company's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>December 31,</i>	2023	2022
Total assets at year end	\$ 2,598,527	\$ 2,771,849
Less non-financial assets		
Other assets	(4,711)	(16,974)
Property and equipment, net	(2,465,461)	(2,418,412)
Security deposits	(3,445)	(2,445)
Operating lease right-of-use assets, net	(2,474)	(3,604)
Financial assets, at year end	122,436	330,414
Less assets not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Rental security deposits received	(3,930)	(28,577)
Restricted by donor with time or purpose restrictions	(41,350)	(19,360)
Financial assets available to meet cash needs for general expenditure within one year	\$ 77,156	\$ 282,477

The Company is principally supported by rental income, direct public support, and in-kind contributions. In the event of financial distress or an immediate liquidity need resulting from events outside the typical course of business, the Company could draw upon a \$25,000 line of credit.

Note 4: RENT RECEIVABLE

Rent receivable consists of the following:

<i>December 31,</i>	2023	2022
Rent receivable	\$ 17,568	\$ 102,464
Due from Rent with Integrity	11,634	-
Less allowance for credit losses	(3,964)	(71,126)
Rent receivable - net	\$ 25,238	\$ 31,338

Bad debt expense totaled \$6,552 and \$63,605 for the years ended December 31, 2023 and 2022, respectively.

**Good News Outreach, Inc. and Subsidiary
Notes to Consolidated Financial Statements**

Note 5: PROPERTY AND EQUIPMENT - NET

Property and equipment – net consists of the following:

<i>December 31,</i>	Estimated Useful Lives (in years)	2023	2022
Land improvements	5 - 20	\$ 982,612	\$ 982,612
Modular homes	20 - 25	953,169	953,169
Buildings and improvements	5 - 40	851,786	842,249
Modular home improvements	5 - 25	406,836	375,062
Furniture and equipment	5 - 10	67,130	57,761
Computers	3 - 5	7,697	7,697
Leasehold Improvements	10	4,860	-
Signs	10	313	313
Total depreciable property and equipment		3,274,403	3,218,863
Less accumulated depreciation and amortization		(1,992,117)	(1,874,560)
Total depreciable property and equipment, net		1,282,286	1,344,303
Equipment not placed in service		143,716	34,650
Land (non-depreciable)		1,039,459	1,039,459
Total property and equipment - net		\$ 2,465,461	\$ 2,418,412

Depreciation and amortization expense totaled \$117,557 and \$119,278 for the years ended December 31, 2023 and 2022, respectively.

Note 6: LEASES

The Company leases office equipment under an operating lease expiring in 2026.

The components of lease expense consist of the following:

<i>For the years ended December 31,</i>	2023	2022
Operating lease cost	\$ 1,230	\$ 1,230

Good News Outreach, Inc. and Subsidiary
Notes to Consolidated Financial Statements

Note 6: LEASES (Continued)

Weighted average remaining lease term and discount rates consist of the following:

<i>For the years ended December 31,</i>	2023	2022
Weighted average remaining lease term		
Operating leases	3 years	3 years
Weighted average discount rate		
Operating leases	3.25%	3.25%

Future minimum lease payments under non-cancellable leases as of December 31, 2023, were as follows:

<i>For the years ending December 31,</i>	Operating Leases	
2024	\$	1,230
2025		1,230
2026		103
Total future minimum lease payments		2,563
Less imputed interest		(89)
Present value of lease liabilities	\$	2,474

Operating lease liabilities are presented in the statements of financial position as follows:

<i>December 31,</i>	2023		2022	
Current portion of operating lease liabilities	\$	1,167	\$	1,094
Operating lease liabilities, less current portion		1,307		2,510
Present value of lease liabilities	\$	2,474	\$	3,604

Good News Outreach, Inc. and Subsidiary
Notes to Consolidated Financial Statements

Note 7: LONG-TERM DEBT

Long-term debt consists of the following:

<i>December 31,</i>	2023	2022
SBA EIDL loan payable to a financial institution; interest at 2.75% per year; monthly payments of \$1,329 including principal and interest commencing June 7, 2022 and maturing on June 7, 2050.	\$ 300,000	\$ 299,295
Mortgage payable to a financial institution; interest at 3.75% per year; monthly payments of \$3,334 including principal and interest; collateralized by real property with net book value of \$2,348,772; remaining principal balance is due January 15, 2037.	827,883	875,102
Line of credit payable to a financial institution with available borrowings of \$25,000; interest at 14.50%; monthly payments of interest only; uncollateralized by real property; balance due January 4, 2025.	24,000	-
Rental rehabilitation loan payable to a lender; interest at 0% per year; non-amortizing loan that is 100% forgivable after a 15-year affordability period.	53,363	-
Long-term debt	1,205,246	1,174,397
Less current portion	49,905	55,507
Long-term debt, less current portion	\$ 1,155,341	\$ 1,118,890

Interest expense related to debt agreements was \$42,207 and \$43,063 for the years ended December 31, 2023 and 2022, respectively.

Principal maturities for each of the next five years and thereafter follow:

<i>For the years ending December 31,</i>	Amount
2024	\$ 49,905
2025	59,666
2026	61,863
2027	64,143
2028	66,443
Thereafter	903,226
Total	\$ 1,205,246

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 7: LONG-TERM DEBT (Continued)

At December 31, 2023 and 2022, net debt issuance costs to secure debt totaled \$-0- each year. Amortization of debt issuance costs totaled \$-0- and 10,339 for the years ended December 31, 2023 and 2022, respectively. The carrying amount of debt issuance costs is applied against the balance of the loan.

The rental rehabilitation loan agreement contains covenants pertaining to the payment of principal and interest, funds for taxes and insurance, application of payments, charges, liens, maintenance of hazard or property insurance, preservation, maintenance, and protection of property, and various other covenants. Management believes the Company was in compliance with these requirements as of December 31, 2023.

Note 8: LINE OF CREDIT

The Company maintains a line of credit agreement with a financial institution. Available borrowings related to the agreement are \$25,000, with an interest rate of 14.50%, unsecured by real property. The credit line expires in January 2025 and will be renewed. The outstanding balance as of December 31, 2023 and 2022 was \$24,000 and \$-0-, respectively.

Note 9: NET ASSETS

A summary of net assets without donor restrictions follows:

<i>December 31,</i>	2023	2022
Undesignated	\$ 1,294,072	\$ 1,443,186
Total net assets without donor restrictions	\$ 1,294,072	\$ 1,443,186

A summary of net assets with donor restrictions follows:

<i>December 31,</i>	2023	2022
Purpose restricted		
Charles Rockwood	\$ -	\$ 5,181
Food Pantry	41,350	-
Virginia Glass	-	14,179
Total net assets with donor restrictions	\$ 41,350	\$ 19,360

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 10: REVENUE

The Company's revenues are primarily from in-kind contributions, direct public support, and grants. The Company's revenue from contracts with customers primarily relates to rental agreements. Rental income is recognized over the lease period. Revenue from special events is recognized at the point when the event occurs.

A summary of disaggregated revenue information follows:

<i>For the years ended December 31,</i>	2023	2022
Contracts with customers		
Recognized over time		
Rental income	\$ 411,333	\$ 457,998
Recognized at a point of time		
Special events	68,396	38,881
Other revenue and support		
In-kind contributions	231,578	411,659
Direct public support	157,263	128,356
Grant revenue	61,950	96,876
Foundation programs	40,000	60,000
Other income	778	27,558
Total revenue	\$ 971,298	\$ 1,221,328

Contract balances for contracts with customers include the following:

	2023	2022
Contract assets		
Rent receivable, beginning of year	\$ 31,338	\$ 19,432
Rent receivable, end of year	\$ 25,238	\$ 31,338

Note 11: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

All donated food and equipment were utilized by the Company's program and supporting services. There were no donor-imposed restrictions associated with the contributed food and equipment.

Good News Outreach, Inc. and Subsidiary Notes to Consolidated Financial Statements

Note 11: CONTRIBUTIONS OF NON-FINANCIAL ASSETS (Continued)

The components of donated food and equipment contributed to the Company consists of the following:

<i>For the year ended December 31, 2023</i>	Donated Food	Donated Equipment	Total
Program services			
Elder Services	\$ 11,520	\$ -	\$ 11,520
Food Ministry	210,483	-	210,483
Maryland Oaks	-	9,575	9,575
Total contributed food, equipment, and building	\$ 222,003	\$ 9,575	\$ 231,578

<i>For the year ended December 31, 2022</i>	Donated Food	Donated Equipment	Total
Program services			
Elder Services	\$ 64,548	\$ -	\$ 64,548
Food Ministry	345,971	-	345,971
Supporting services			
General and administrative	-	1,140	1,140
Total contributed food, equipment, and building	\$ 410,519	\$ 1,140	\$ 411,659

Donated food and equipment are valued at their estimated fair value on the date contributed.

Note 12: CONCENTRATIONS OF CREDIT RISK

The Company maintains cash with a financial institution in excess of the National Credit Union Administration (NCUA) limit of \$250,000 by \$-0-and \$45,652 at December 31, 2023 and 2022, respectively.

Note 13: PAYCHECK PROTECTION PROGRAM

The Company originally entered into an EIDL loan for \$150,000 in June 2020. In August 2021, the Company modified its EIDL loan to increase the loan amount to \$300,000. The monthly payments for the loan increased from \$641 to \$1,329. Annual interest rate for the loan is 2.75% and matures in June 2050. Monthly payments have been deferred to January 2023.