Good News Outreach, Inc. and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

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INDEPENDENT AUDITORS' 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, 2022 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, 2022, 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 Auditors' 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.

Auditors' 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 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 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.

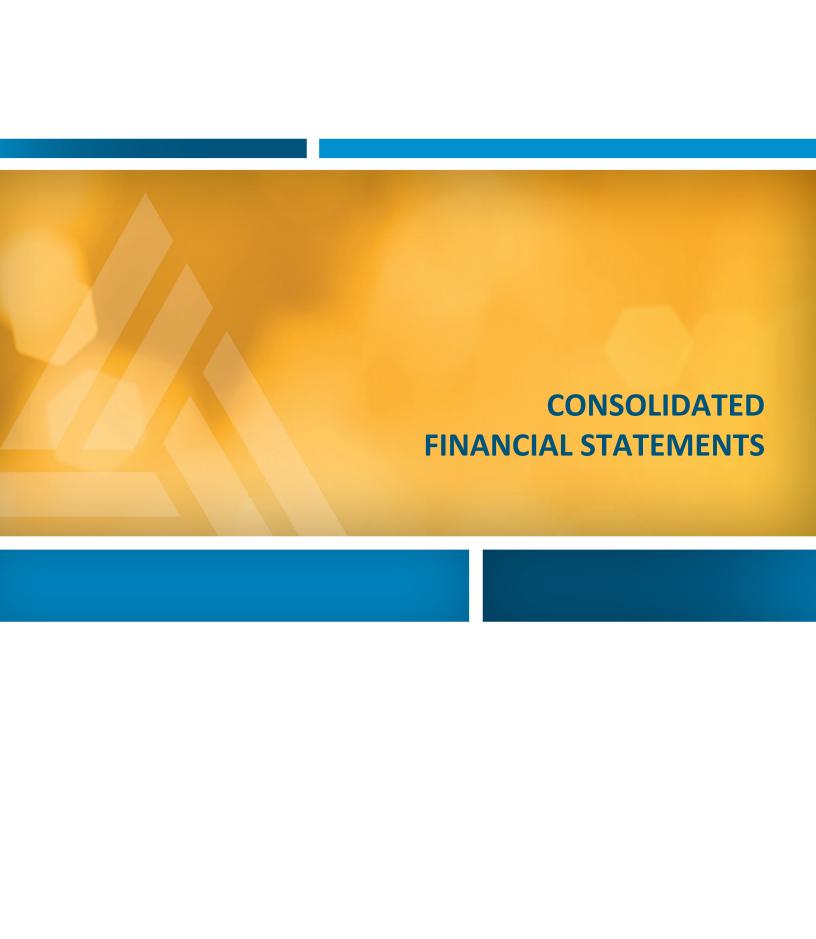
Report on Summarized Comparative Information

We have previously audited the Good News Outreach, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Caux Rigge & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida July 31, 2023



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

December 31,		2022		2021
Assets				
Current assets				
Cash	\$	290,776	\$	477,963
Grants and other receivables	Y	8,300	Y	27,957
Rent receivable - net		31,338		19,432
Other assets		16,974		1,749
Total current assets		347,388		527,101
		•		· · · · · · · · · · · · · · · · · · ·
Non-current assets			_	
Property and equipment - net	:	2,418,412	2	2,410,094
Security deposits		2,445		2,445
Operating lease right-of-use assets, net		3,604		
Total non-current assets		2,424,461	2	2,412,539
Total assets	\$:	2,771,849	\$ 2	2,939,640
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$	64,696	\$	3,740
Accrued expenses		36,879		36,950
Refundable advances		1,150		10,000
Current portion of operating lease liabilities		1,094		-
Current portion of long-term debt		55,507		45,030
Total current liabilities		159,326		95,720
Non-current liabilities				
Deposits received		28,577		28,377
Operating lease liabilities, less current portion		2,510		-
Long-term debt, less current portion		1,118,890		,154,674
Total non-current liabilities		1,149,977	1	,183,051
Total liabilities		1,309,303	1	,278,771
Net assets				
Without donor restrictions				
Undesignated	:	1,443,186	1	,551,869
With donor restrictions				
Restricted for purpose or time		19,360		109,000
Total net assets		1,462,546	1	,660,869
Total liabilities and net assets	\$	2,771,849	\$ 2	,939,640

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

					2021
	Wi	thout Donor	With Donor	2022	Summarized
For the years ended December 31,		Restrictions	Restrictions	Total	Total
Revenue and Other Support					
In-kind contributions	\$	411,659	\$ -	\$ 411,659	\$ 1,142,960
Rental income		457,998	-	457,998	443,921
Direct public support		128,356	-	128,356	231,613
Contributions		60,000	-	60,000	80,000
Grant revenue		96,876	-	96,876	113,175
Other income		27,558	-	27,558	30,849
Special events		38,881	-	38,881	29,673
Net assets released from restrictions					
Satisfaction of donor restrictions		89,640	(89,640)	-	-
Total revenue and other support		1,310,968	(89,640)	1,221,328	2,072,191
Expenses					
Program services		1,189,028	-	1,189,028	1,146,237
Supporting services					
Management and general		191,454	-	191,454	141,169
Fundraising		39,169	-	39,169	32,039
Total expenses		1,419,651	-	1,419,651	1,319,445
Change in Net Assets		(108,683)	(89,640)	(198,323)	752,746
Net assets at beginning of year		1,551,869	109,000	1,660,869	908,123
Net assets at end of year	\$	1,443,186	\$ 19,360	\$ 1,462,546	\$ 1,660,869

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

			Progr	Program Services				ddnS	Supporting Services			
							Program			Supporting		2021
	Maryland	Elder	Food	Mercy	Promise	Women's	Services	Management		Services	2022	Summarized
For the years ended December 31,	Oaks	Services	Ministry	House	Zone	Re-entry	Subtotal	and General	Fundraising	Subtotal	Total	Total
Food	\$ 26 \$	\$ 64,548	\$ 346,836 \$	\$ -	\$ -	\$ -	411,481	\$ 222 \$	754 \$	1,476	\$ 412,957	\$ 459,413
Salaries and related benefits	174,495	23,834	21,580	16,254	17,181	33,753	287,097	64,426	25,203	89,629	376,726	310,501
Depreciation	90,948	11,728	ı	4,205	•	11,728	118,609	699	•	699	119,278	110,116
Utilities	40,416	•	1	12,369		15,028	67,813	•	•	٠	67,813	76,846
Bad debt	63,005	•	ı	009	•	•	63,605	•	•	•	63,605	38,778
Insurance	22,933	369	396	3,519	274	29,351	56,842	2,485		2,485	59,327	42,415
Contract Labor	193	•	1	758		623	1,574	51,820	200	52,020	53,594	41,292
Interest	33,210	•	1	571			33,781	9,282	•	9,282	43,063	60,614
Repairs and maintenance	31,340	•	1	1,125	٠	6,674	39,139	9		9	39,145	35,995
Rent	•	6,000	9,000			•	15,000	000′6	•	9,000	24,000	27,400
Miscellaneous	4,209	•	120	985		326	5,640	16,981	29	17,048	22,688	12,457
Client expenses	12,746	1,099	2,858	1,914	21	2,580	21,218	•	•	٠	21,218	28,581
Telephone	6,633	1,053	1,053	3,627		4,306	16,672	1,992	•	1,992	18,664	2,967
Dues, licenses, taxes	1,427	30	80	438	30	•	2,005	10,991	1,659	12,650	14,655	8,775
Computer expenses	10,403	•				297	10,700	2,423	•	2,423	13,123	17,315
Pest control	4,000	800	•	1,800		5,517	12,117	300	•	300	12,417	5,215
Amortization	10,399	•	•				10,399	•	•	•	10,399	2,403
Professional fees	•	•	ı		•	•		10,250		10,250	10,250	9,300
Equipment rental/purchases	3,638	•	•			3,023	6,661	1,226	•	1,226	7,887	4,292
Supplies	433	209	2,100	1,624	388	1,564	6,318	1,359	516	1,875	8,193	4,903
Fundraising expenses	•	•	•		•		•	866	4,694	5,692	5,692	5,468
Printing and copying	•	•	ı			•		369	5,072	5,441	5,441	6,693
Office supplies		•	398	516		654	1,568	2,858	209	3,367	4,935	2,835
Bank charges	106	•					106	1,692	•	1,692	1,798	125
Posting/shipping		28	350			174	285	622	495	1,117	1,699	2,258
Employee appreciation	71	•	•			30	101	946	•	946	1,047	150
Auto expense	•	•	•					37	•	37	37	1,037
Eviction expenses	•	•	•				'	•	•	'	'	1,301
Total expenses	\$ 510,702	\$ 109,728	\$ 384,771 \$	\$ 20,305	17,894 \$	115,628 \$ 1	\$ 1,189,028	\$ 191,454 \$	39,169 \$	230,623	\$ 1,419,651	\$ 1,319,445

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

Operating Activities Change in net assets \$ (198,323) \$ 752,746 Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: 129,677 112,519 Depreciation and amortization 129,677 112,519 Amortization of right-of-use asset 1,094 53,605 Bad debt 63,605 38,778 Changes in operating assets and liabilities: (43,948) (44,612) Grants and other receivables (41,906) 509 Other assets (11,906) 509 Other assets (15,225) (1,749) Accounts payable 60,956 (10) Accounts payable 60,956 (10) Accounts payable (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (10,94) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities (127,596) (786,874) Net cash provided by (used in) investing activities (27,596) (786,874) <tr< th=""><th>For the years ended December 31,</th><th>2022</th><th>2021</th></tr<>	For the years ended December 31,	2022	2021
Change in net assets \$ (198,323) \$ 752,746 Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: 129,677 112,519 Depreciation and amortization 1,094 - Amortization of right-of-use asset 1,094 - Bad debt 63,605 38,778 Changes in operating assets and liabilities: (43,948) (44,612) Rent receivable (11,906) 509 Other assets (11,906) 509 Other assets (15,225) (1,749) Accounts payable 60,956 (10) Accrued expenses (71) 18,194 Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Principal payments on note pay			
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: 129,677 112,519 Depreciation and amoritzation 1,094 - Bad debt 63,605 38,778 Changes in operating assets and liabilities: (43,948) (44,612) Rent receivable (11,906) 509 Other assets (15,225) (1,749) Accounts payable 60,956 (10) Accrued expenses (71) 18,194 Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Financing Activities 918,000 - Principal payments on note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 6	Operating Activities		
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Depreciation and amortization 129,677 112,519 Amortization of right-of-use asset 1,094 - Bad debt 63,605 38,778 Changes in operating assets and liabilities: 63,605 38,778 Grants and other receivables (43,948) (44,612) Rent receivable (11,906) 509 Other assets (15,225) (1,749) Accounts payable 60,956 (10) Accrued expenses (71) 18,194 Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Principal payments on note payable 953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan	Adjustments to reconcile change in net assets		
Amortization of right-of-use asset 1,094 - Bad debt 63,605 38,778 Changes in operating assets and liabilities: 38,778 Grants and other receivables (43,948) (44,612) Rent receivable (11,906) 509 Other assets (15,225) (1,749) Accounts payable 60,956 (10) Accrued expenses (71) 18,194 Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Principal payments on note payable 953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities	to net cash provided by (used in) operating activities:		
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Changes in operating assets and liabilities: (43,948) (44,612) Rent receivable (11,906) 509 Other assets (15,225) (1,749) Accounts payable 60,956 (10) Accrued expenses (71) 18,194 Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities 8 (786,874) Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Financing Activities (127,596) (786,874) Principal payments on note payable (953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 67,179 Net cash at beginning of year 477,963 313,981<	Amortization of right-of-use asset	1,094	-
Grants and other receivables (43,948) (44,612) Rent receivable (11,906) 509 Other assets (15,225) (1,749) Accounts payable 60,956 (10) Accrued expenses (71) 18,194 Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (217,596) (786,874) Financing Activities Principal payments on note payable 953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 67,179 Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of y	Bad debt	63,605	38,778
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Other assets (15,225) (1,749) Accounts payable 60,956 (10) Accrued expenses (71) 18,194 Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Financing Activities Principal payments on note payable (953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$ 290,776 \$ 477,963 SUPPLEMENTAL CASH FLOW INFORMATION	Grants and other receivables	(43,948)	(44,612)
Accounts payable 60,956 (10) Accrued expenses (71) 18,194 Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Financing Activities Principal payments on note payable (953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 67,179 Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$ 290,776 \$ 477,963 SUPPLEMENTAL CASH FLOW INFORMATION	Rent receivable	(11,906)	509
Accrued expenses (71) 18,194 Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Financing Activities Principal payments on note payable (953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 67,179 Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$290,776 \$477,963 SUPPLEMENTAL CASH FLOW INFORMATION	Other assets	(15,225)	(1,749)
Refundable advances (8,850) 3,000 Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Financing Activities Principal payments on note payable (953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 67,179 Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$ 290,776 \$ 477,963 SUPPLEMENTAL CASH FLOW INFORMATION * 290,776 \$ 477,963	Accounts payable	60,956	(10)
Deposits 200 4,302 Operating lease liabilities (1,094) - Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Financing Activities Principal payments on note payable (953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 67,179 Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$290,776 \$477,963	Accrued expenses	(71)	18,194
Operating lease liabilities(1,094)-Net cash provided by (used in) operating activities(23,885)883,677Investing ActivitiesService of property, plant and equipment(127,596)(786,874)Net cash provided by (used in) investing activities(127,596)(786,874)Financing ActivitiesFrincipal payments on note payable(953,706)(82,821)Proceeds from issuance of note payable918,000-Borrowings on EIDL loan-150,000Net cash provided by (used in) financing activities(35,706)67,179Net change in cash(187,187)163,982Cash at beginning of year477,963313,981Cash at end of year\$ 290,776\$ 477,963	Refundable advances	(8,850)	3,000
Net cash provided by (used in) operating activities (23,885) 883,677 Investing Activities Purchase of property, plant and equipment (127,596) (786,874) Net cash provided by (used in) investing activities (127,596) (786,874) Financing Activities Principal payments on note payable (953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 67,179 Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$290,776 \$477,963	Deposits	200	4,302
Investing Activities Purchase of property, plant and equipment Net cash provided by (used in) investing activities Financing Activities Principal payments on note payable Proceeds from issuance of note payable Borrowings on EIDL loan Pot cash provided by (used in) financing activities Net cash provided by (used in) financing activities Cash at beginning of year Cash at end of year SUPPLEMENTAL CASH FLOW INFORMATION	Operating lease liabilities	(1,094)	-
Purchase of property, plant and equipment Net cash provided by (used in) investing activities Financing Activities Principal payments on note payable Proceeds from issuance of note payable Borrowings on EIDL loan Net cash provided by (used in) financing activities Net change in cash Cash at beginning of year Cash at end of year (127,596) (786,874) (127,596) (786,874) (182,821) (182,821) (182,821) (182,821) (183,000) (183,000) (183,187) (183,982) (183,082) (183,082) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083)	Net cash provided by (used in) operating activities	(23,885)	883,677
Purchase of property, plant and equipment Net cash provided by (used in) investing activities Financing Activities Principal payments on note payable Proceeds from issuance of note payable Borrowings on EIDL loan Net cash provided by (used in) financing activities Net change in cash Cash at beginning of year Cash at end of year (127,596) (786,874) (127,596) (786,874) (182,821) (182,821) (182,821) (182,821) (183,000) (183,000) (183,187) (183,982) (183,082) (183,082) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083) (183,083)			
Net cash provided by (used in) investing activities (127,596) (786,874) Financing Activities Principal payments on note payable (953,706) (82,821) Proceeds from issuance of note payable 918,000 - Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 67,179 Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$ 290,776 \$ 477,963	Investing Activities		
Financing Activities Principal payments on note payable Proceeds from issuance of note payable Borrowings on EIDL loan Net cash provided by (used in) financing activities Net change in cash Cash at beginning of year Cash at end of year SUPPLEMENTAL CASH FLOW INFORMATION (182,821) (953,706) (82,821) (187,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (150,000) (82,821) (8	Purchase of property, plant and equipment	(127,596)	(786,874)
Principal payments on note payable Proceeds from issuance of note payable Borrowings on EIDL loan Net cash provided by (used in) financing activities Net change in cash Cash at beginning of year Cash at end of year SUPPLEMENTAL CASH FLOW INFORMATION (82,821) (953,706) (82,821) (150,000	Net cash provided by (used in) investing activities	(127,596)	(786,874)
Principal payments on note payable Proceeds from issuance of note payable Borrowings on EIDL loan Net cash provided by (used in) financing activities Net change in cash Cash at beginning of year Cash at end of year SUPPLEMENTAL CASH FLOW INFORMATION (82,821) (953,706) (82,821) (150,000			
Proceeds from issuance of note payable Borrowings on EIDL loan Net cash provided by (used in) financing activities Net change in cash Cash at beginning of year Cash at end of year SUPPLEMENTAL CASH FLOW INFORMATION	Financing Activities		
Borrowings on EIDL loan - 150,000 Net cash provided by (used in) financing activities (35,706) 67,179 Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$290,776 \$477,963	Principal payments on note payable	(953,706)	(82,821)
Net cash provided by (used in) financing activities (35,706) 67,179 Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$290,776 \$477,963 SUPPLEMENTAL CASH FLOW INFORMATION	Proceeds from issuance of note payable	918,000	-
Net change in cash (187,187) 163,982 Cash at beginning of year 477,963 313,981 Cash at end of year \$ 290,776 \$ 477,963 SUPPLEMENTAL CASH FLOW INFORMATION	Borrowings on EIDL loan	-	150,000
Cash at beginning of year 477,963 313,981 Cash at end of year \$ 290,776 \$ 477,963 SUPPLEMENTAL CASH FLOW INFORMATION	Net cash provided by (used in) financing activities	(35,706)	67,179
Cash at beginning of year 477,963 313,981 Cash at end of year \$ 290,776 \$ 477,963 SUPPLEMENTAL CASH FLOW INFORMATION			
Cash at end of year \$ 290,776 \$ 477,963 SUPPLEMENTAL CASH FLOW INFORMATION	Net change in cash	(187,187)	163,982
Cash at end of year \$ 290,776 \$ 477,963 SUPPLEMENTAL CASH FLOW INFORMATION			
SUPPLEMENTAL CASH FLOW INFORMATION	Cash at beginning of year		313,981
	Cash at end of year	\$ 290,776	\$ 477,963
			_
Cash paid for interest \$ 24,105 \$ 50,868	SUPPLEMENTAL CASH FLOW INFORMATION		
	Cash paid for interest	\$ 24,105	\$ 50,868

Note 1: DESCRIPTION OF THE ORGANIZATION

Good News Outreach, Inc., a nonprofit corporation, is a private sector, volunteer driven, multidenominational 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.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021, from which the summarized information was derived.

Program Services

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.

Promise Zone – The Company delivers groceries and other necessities to low-income seniors.

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

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Other Receivables

Grants and other receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Company provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Company's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Allowance for doubtful accounts was \$71,126 and \$33,057 as of December 31, 2022 and 2021, 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.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Issuance Costs

Fees and costs incurred to obtain long-term financing have been deferred and are being amortized in the statements of functional expenses over the life of the related long-term debt on the straight-line method which approximates the effective interest method. Unamortized debt issuance costs are expensed when the associated debt is refinanced or repaid before maturity. Costs incurred in seeking debt, which do not close, are expensed in the period in which it is determined that the financing will not close. Unamortized costs are included in long-term debt. Unamortized debt issuance costs totaled \$-0- and \$10,399 at December 31, 2022 and 2021, respectively. See Note 6 for relevant disclosure.

Accrued Leave Policy

The Company's policy is to pay employees for up to 200 hours of accrued leave upon termination. At December 31, 2022 and 2021, the Company had paid time off accrued of \$10,137 and \$16,966, 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. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Rental income and special events are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing 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.

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 \$345,971 and \$407,614 for the years ended December 31, 2022 and 2021, respectively. The Company also received donated food and supplies for the Elder Services program with an estimated value of \$64,548 and \$50,926 for the years ended December 31, 2022 and 2021, respectively. The Company also received a donated vehicle with an estimated value of \$1,500 for the year ended December 31, 2021 and received donated furniture with an estimated value of \$1,140 for the year ended December 31, 2022.

During the year ended December 31, 2021, the Company contracted to purchase real property for \$43,000. The difference between the contracted purchase price and the estimated fair market value was recognized as an in-kind contribution. The real property in-kind contribution for the year ended December 31, 2021 totaled \$682,920.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2022 and 2021, the Company has no uncertain tax provisions 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, July 31, 2023, 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 February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (continued)

The Company adopted the standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB ASC 840.

The Company elected the available practical expedients to account for existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Company recognized on January 1, 2022, a lease liability of \$4,698, which represents the present value of the remaining operating lease payments of \$5,023, discounted using the Company's incremental borrowing rate of 3.25%, and a right-of-use asset of \$4,698 which represents the operating lease liability of \$4,698.

The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

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 positon date, reduced by amounts not available for general use within one year of the statement of financial positon date because of contractual or donor-imposed restrictions.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

December 31,		2022		2021
Total assets at year end	\$ 2	2,771,849	\$ 2,	939,640
Less non-financial assets				
Other assets		(16,974)		(1,749)
Property and equipment, net	(2	2,418,412)	(2,	410,094)
Security deposits		(2,445)		(2,445)
Operating lease right-of-use assets, net		(3,604)		-
Financial assets, at year end		330,414		525,352
Less assets not available for general expenditures within one year,				
due to contractual or donor-imposed restrictions				
Rental security deposits received		(28,577)		(28,377)
Restricted by donor with time or purpose restrictions		(19,360)	(109,000)
Financial assets available to meet cash needs for				
general expenditure within one year	\$	282,477	\$	387,975

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:

December 31,	2022	2021
Rent receivable Less allowance for doubtful accounts	\$ 102,464 \$ (71,126)	52,489 (33,057)
Rent receivable - net	\$ 31,338 \$	19,432

Bad debt expense totaled \$63,605 and \$38,778 for the years ended December 31, 2022 and 2021, respectively.

Note 5: PROPERTY AND EQUIPMENT - NET

Property and equipment – net consists of the following:

	Estimated Useful				
December 31,	Lives (in years)		2022		2021
Land improvements	5 - 20	\$	982,612	\$	982,612
Modular homes	20 - 25		953,169		953,169
Buildings and improvements	5 - 40		842,249		782,959
Modular home improvements	5 - 25		375,062		341,406
Furniture and equipment	5 - 10		57,761		57,761
Computers	3 - 5		7,697		7,697
Signs	10		313		313
Total depreciable property and equipment			3,218,863		3,125,917
Less accumulated depreciation and amortization	1	(1,874,560)	(1,755,282)
Total depreciable property and equipment, net			1,344,303		1,370,635
Equipment not placed in service			34,650		
Land (non-depreciable)			1,039,459		1,039,459
Total property and equipment - net		\$	2,418,412	\$	2,410,094

Depreciation and amortization expense totaled \$119,278 and \$110,116 for the years ended December 31, 2022 and 2021, respectively.

Note 6: LEASES

Leases Accounted for under ASC 842

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

The components of lease expense consist of the following:

For the year ended December 31,	2022
Operating lease cost	\$ 1,230

2022

Note 6: LEASES (Continued)

For the year ended December 31,

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

Tor the year chaca becember 31,		2022
Weighted average remaining lease term Operating leases		3 years
Weighted average discount rate Operating leases		3.25%
Future minimum lease payments under non-cancellable leases as of Decen follows:	nber 31, 2022	, were as
For the years ending December 31,	Operating	g Leases
2023 2024 2025 2026	\$	1,230 1,230 1,230 103
Total future minimum lease payments Less imputed interest		3,793 (189)
Present value of lease liabilities	\$	3,604
Operating lease liabilities are presented in the statements of financial position	on as follows:	
December 31,		2022
Current portion of operating lease liabilities Operating lease liabilities, less current portion	\$	1,094 2,510
Present value of lease liabilities	\$	3,604

Leases Accounted for under ASC 840

The Company leases office space under an operating lease. Minimum future lease payments required under the term of the lease are as follows:

For the year ending December 31,	Amount
2022	\$ 22,000
Total operating leases	\$ 22,000

Rent expense for the years ended December 31, 2021 was \$27,400, respectively.

Note 7: LONG-TERM DEBT

Long-term debt consists of the following:

Mortgage payable to a financial institution; interest at 6% per year; monthly payments of \$1,997 including principal and interest; collateralized by real property with net book value of \$32,151; remaining principal balance was originally due December 7, 2021; however, debt was refinanced in January 2022. \$ - \$ 124,114 Mortgage payable to a financial institution; interest at 5.378% per
year; monthly payment of \$8,792; collateralized by real property with net book value of \$1,583,641; remaining principal balance is due April 15, 2030; however, debt was refinanced in January 2022. - 652,732
Mortgage payable to a financial institution; interest at 5% per year; monthly payments of \$2,382 including principal and interest; collateralized by real property with net book value of \$1,583,641; remaining principal balance is due April 12, 2025; however, debt was refinanced in January 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. 299,295 299,900
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. 875,102
Long-term debt 1,174,397 1,210,103
Less current portion 55,507 45,030
Less debt issuance costs, net - 10,399
Long-term debt, less current portion \$ 1,118,890 \$ 1,154,674

Interest expense related to debt agreements was \$43,063 and \$60,614 for the years ended December 31, 2022 and 2021, respectively.

Note 7: LONG-TERM DEBT (Continued)

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

For the years ending December 31,	Amount
2023	\$ 55,507
2024	57,463
2025	59,666
2026	61,863
2027	64,143
Thereafter	875,755
_Total	\$ 1,174,397

At December 31, 2022 and 2021, net debt issuance costs to secure debt totaled \$-0- and \$10,399, respectively. Amortization of debt issuance costs totaled \$10,339 and \$2,403 for the years ended December 31, 2022 and 2021, respectively. The carrying amount of debt issuance costs is applied against the balance of the loan.

Note 8: NET ASSETS

A summary of net assets without donor restrictions follows:

December 31,	2022		2021	
Undesignated	\$ 1,443,186	\$	1,551,869	
Total net assets without donor restrictions	\$ 1,443,186	\$	1,551,869	
A summary of net assets with donor restrictions follows:				
,				
December 31,	2022	2021		
Purpose restricted				
Charles Rockwood	\$ 5,181	\$	60,000	
Virginia Glass	14,179		49,000	
Total net assets with donor restrictions	\$ 19,360	\$	109,000	

Note 9: 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:

For the years ended December 31,		2022	2021
			_
Contracts with customers			
Recognized over time			
Rental income	\$ 45	7,998	\$ 443,921
Recognized at a point of time			
Special events	3	8,881	29,673
Other revenue and support			
In-kind contributions	41	1,659	1,142,960
Direct public support	12	8,356	231,613
Foundation programs	6	0,000	80,000
Grant revenue	9	6,876	113,175
Other income	2	7,558	30,849
Total revenue	\$ 1,22	1,328	\$ 2,072,191

Contract balances for contracts with customers include the following:

	2022	2021
Contract assets		
Rent receivable, beginning of year	\$ 19,432	\$ 19,941
Rent receivable, end of year	\$ 31,338	\$ 19,432

Note 10: CONTRIBUTIONS IN-KIND

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

Note 10: CONTRIBUTIONS IN-KIND (Continued)

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

	Donated		Donated	Donated		
For the year ended December 31, 2022	Food	Equipment		Building		Total
						_
Program services						
Elder Services	\$ 64,548	\$	-	\$ -	\$	64,548
Food Ministry	345,971		-	-		345,971
Maryland Oaks	-		1,140	-		1,140
Total contributed food, equipment, and						
building	\$ 410,519	\$	1,140	\$ -	\$	411,659
	Donated		Donated	Donated		
For the year ended December 31, 2021	Food	Ec	quipment	Building		Total
Program services						
Elder Services	\$ 50,926	\$	-	-	\$	50,926
Food Ministry	407,614		-	-		407,614
Supporting services						
General and administrative	-		1,500	682,920		684,420
Total contributed food, equipment, and						
building	\$ 458,540	\$	1,500	\$ 682,920	\$1	,142,960

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

Note 11: 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 \$45,652 and \$230,356 at December 31, 2022 and 2021, respectively.

Note 12: 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.