



GOOD NEWS RESCUE MISSION
AUDITED FINANCIAL STATEMENTS
MAY 31, 2024

GOOD NEWS RESCUE MISSION
TABLE OF CONTENTS
FOR THE YEAR ENDED MAY 31, 2024

Report of Independent Auditors.....	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7



REPORT OF INDEPENDENT AUDITORS

Board of Directors
Good News Rescue Mission
Redding, California

Opinion

We have audited the accompanying financial statements of Good News Rescue Mission (a nonprofit organization), which comprise the statement of financial position as of May 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Good News Rescue Mission as of May 31, 2024, and the changes in its 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 Financial Statements section of our report. We are required to be independent of Good News Rescue Mission 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 Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Good News Rescue Mission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Good News Rescue Mission'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.

Platform CPAs, LLP

Redding, California
May 16, 2025

**6510 Millrock Dr #415
Holladay, UT 84121
385 743 8411
info@platformcpa.com
www.platformcpa.com**

GOOD NEWS RESCUE MISSION
STATEMENT OF FINANCIAL POSITION
MAY 31, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 790,055
Certificates of deposit	371,937
Grants receivable	252,810
Prepaid expenses	23,801
Inventory	<u>191,818</u>

Total current assets 1,630,421

Property and equipment, net 5,704,921

Construction in progress 1,028,013

Total assets \$ 8,363,355

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 52,882
Amounts held for others	40,509
Compensated absences	56,422
Notes payable, current portion	<u>3,796</u>

Total current liabilities 153,609

Long-term liabilities

Notes payable, long-term portion 2,741,136

Total liabilities 2,894,745

Net assets

Without donor restrictions	5,040,425
With donor restrictions	<u>428,185</u>

Total net assets 5,468,610

Total liabilities and net assets \$ 8,363,355

See accompanying notes to financial statements.

GOOD NEWS RESCUE MISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 1,780,645	\$ 198,766	\$ 1,979,411
In-kind contributions	1,453,099	-	1,453,099
Grant income	-	239,498	239,498
Federal Home Loan Bank debt extinguishment	1,000,000	-	1,000,000
Special events revenue, net	90,978	-	90,978
Other income	4,464	-	4,464
Interest and dividend income	9,701	-	9,701
Gain on sale of investments	2,258	-	2,258
Loss on disposal of assets	(1,953)	-	(1,953)
Total support	4,339,192	438,264	4,777,456
Net assets released from restrictions			
Satisfaction of purpose	232,164	(232,164)	-
Total support allocated	4,571,356	206,100	4,777,456
Expenses			
Program services			
Guest services	2,167,046	-	2,167,046
Men's new life recovery	642,236	-	642,236
Women's new life recovery	418,164	-	418,164
Total program services	3,227,446	-	3,227,446
Support services			
Management and general	412,116	-	412,116
Fundraising	668,328	-	668,328
Total support services	1,080,444	-	1,080,444
Total expenses	4,307,890	-	4,307,890
Change in net assets	263,466	206,100	469,566
Net assets, beginning of year	4,776,959	222,085	4,999,044
Net assets, end of year	\$ 5,040,425	\$ 428,185	\$ 5,468,610

See accompanying notes to financial statements.

GOOD NEWS RESCUE MISSION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2024

	Program Services				Support Services			Total
	Guest Services	Men's New Life Recovery	Women's New Life Recovery	Total Program Services	Management and General	Fundraising	Total Support Services	
Expenses								
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,772	\$ 5,772	\$ 5,772
Benevolence	16,358	940	371	17,669	-	-	-	17,669
Building repair and maintenance	25,202	8,080	6,748	40,030	1,102	648	1,750	41,780
Depreciation	103,912	41,886	64,985	210,783	8,110	3,575	11,685	222,468
Equipment rental and maintenance	3,935	3,139	4,798	11,872	3,196	823	4,019	15,891
Food	883,652	136,899	79,877	1,100,428	-	-	-	1,100,428
Mailings	-	-	-	-	-	75,163	75,163	75,163
Miscellaneous	28,940	9,242	7,307	45,489	20,502	20,242	40,744	86,233
Professional fundraising	-	-	-	-	-	278,663	278,663	278,663
Professional services	172	508	152	832	64,110	-	64,110	64,942
Property taxes and insurance	57,723	37,521	24,565	119,809	12,379	5,365	17,744	137,553
Salaries and benefits	626,207	313,114	176,826	1,116,147	271,775	250,766	522,541	1,638,688
Supplies	288,793	30,204	20,172	339,169	4,445	3,266	7,711	346,880
Technology	10,300	9,802	4,635	24,737	11,572	16,683	28,255	52,992
Transportation	17,012	9,743	7,154	33,909	6,873	1,463	8,336	42,245
Utilities	104,840	41,158	20,574	166,572	8,052	5,899	13,951	180,523
Total functional expenses	\$ 2,167,046	\$ 642,236	\$ 418,164	\$ 3,227,446	\$ 412,116	\$ 668,328	\$ 1,080,444	\$ 4,307,890

See accompanying notes to financial statements.

GOOD NEWS RESCUE MISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2024

Cash flows from operating activities

Cash received from support and revenue	\$ 1,956,212
Cash paid to suppliers, employees and missionaries	(2,667,687)
Interest and dividends received	<u>9,701</u>

Net cash provided by (used in) operating activities (701,774)

Cash flows from investing activities

Purchase of property and equipment	(1,727,907)
Proceeds from sale of investments	<u>67,885</u>

Net cash provided by (used in) investing activities (1,660,022)

Cash flows from financing activities

Principal payments on long-term debt	(1,814)
Proceeds from long-term debt	<u>1,246,746</u>

Net cash provided by (used in) financing activities 1,244,932

Net increase (decrease) in cash	(1,116,864)
Cash and cash equivalents, beginning of year	<u>1,906,919</u>

Cash and cash equivalents, end of year \$ 790,055

Schedule of non-cash investing and financing activities

Extinguishment of Federal Home Loan Bank debt	\$ <u><u>1,000,000</u></u>
---	----------------------------

Reconciliation of change in net assets to net cash provided by (used in) operating activities

Change in net assets	\$ <u>469,566</u>
----------------------	-------------------

Adjustments to reconcile change in net assets
to net cash provided by (used in) operating activities

Depreciation	222,468
Donated stock	(66,044)
Federal Home Loan Bank debt extinguishment	(1,000,000)
Gain on sale of investments	(2,258)
Loss on disposal of assets	1,953

Decrease (increase) in assets

Grants receivable	(251,276)
Prepaid expenses	1,259
Inventory	(26,394)

Increase (decrease) in liabilities

Accounts payable	(4,161)
Amounts held for others	(42,078)
Compensated absences	<u>(4,809)</u>

Total adjustments (1,171,340)

Net cash provided by (used in) operating activities \$ (701,774)

See accompanying notes to financial statements.

NOTE 1 – NATURE OF ACTIVITIES

Good News Rescue Mission (the Mission) is a nonprofit organization whose mission is to bring good news to the poor, homeless, or needy of Shasta County by sharing the love of God exemplified by the life and ministry of Jesus Christ, providing emergency subsistence services (food, shelter, clothing), providing long term recovery services, and educating and equipping people of Shasta County to effectively minister to needy people. The Mission's principal programs are as follows:

Guest Services: The Mission provides daily emergency subsistence services of food, shelter, and clothing to meet the immediate needs of those who are homeless and/or living in poverty. Guest Services strives to break the cycle of poverty and homelessness through comprehensive case management services and programs geared to address common root factors of homelessness. The major factors leading to homelessness include job loss, poverty, mental health, and addiction. The Mission offers core programs to address these issues which include mental health referrals, a savings program that allows an individual to save money for permanent housing, and academic and work readiness programs that provide assistance in completion of college, obtaining employment, and sustainable living in mainstream society.

New Life Recovery: The Mission provides faith-based 18-month residential recovery programs for men and women. The programs focus on the root cause of addiction and strive to equip the students with tools to overcome their addiction, emerge as leaders in the community, and to live healthy fulfilling lives. Recovery, sober living, and discipleship are the three areas central to the program. Recovery activities include individual and group counseling, education, and life skills such as parenting. Women enrolled in the program are able to have their children remain with them throughout their stay at the Mission (boys must be under the age of 12).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Standard

Effective June 1, 2023, the Mission adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments (ASC 326), which among other things, requires an estimate of credit losses for the remaining estimated life of accounts receivable on the statement of financial position, based on historical information, current conditions, and reasonable and supportable forecasts. Grants receivable measured at amortized cost will be presented as the net amount expected to be collected by using an allowance for credit losses.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Mission reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions	Net assets that are not subject to or are no longer subject to donor imposed stipulations.
Net Assets With Donor Restrictions	Net assets whose use is limited by donor-imposed time/and or purpose restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. The Mission reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long term assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Mission reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Mission has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Revenue Recognition

The Mission reports contributions as revenue when they are unconditionally pledged or when they are received. The Mission reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to the statement of activities as net assets released from restrictions.

A portion of the Mission's revenue is derived from cost-reimbursable grants which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the Mission has incurred expenses in compliance with specific grant provisions.

Special events revenue are reported net of costs of direct benefit to donors as follows:

Special events revenue	\$ 129,888
Less: Cost of direct benefit to donor	<u>(38,910)</u>
Special events revenue, net	<u>\$ 90,978</u>

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Mission considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Included in cash and cash equivalents is restricted cash of \$40,509 which is held in trust for others.

The Mission's financial instruments that are potentially exposed to concentration of credit risk consist primarily of cash and cash equivalents. The Mission places its cash and temporary cash investments with high quality credit institutions. At times, such investments may be in excess of the FDIC insurance limit, however, the Mission believes that the credit risk is nominal. The amount in excess of the FDIC limit at May 31, 2024 was \$231,491.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Certificates of Deposit

The Mission holds two certificates of deposit with maturity dates of November 27, 2026 and November 28, 2027. Certificates of deposit are recorded at cost plus accrued interest.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including cash and cash equivalents, certificates of deposit, grants receivable, and accounts payable and accrued expenses approximate their fair value because of the relatively short maturity of these instruments.

Grants Receivable

A receivable is recorded on cost-reimbursement grants when allowable expenses have been incurred, but not reimbursed prior to the fiscal year-end.

Inventory

Inventory consists mainly of donated food, clothing, and household items received by the Mission's distribution center for use in the Food Services program and Resource Center. The contributions are reported as revenue valued at the lower of cost or market at the time of donation. Physical inventories are taken at least annually to determine inventory on hand.

Property and Equipment

Expenditures for maintenance and repairs are charged to expense as incurred. Major improvements are capitalized. Property and equipment are capitalized at cost when purchased or at fair market value when contributed. Depreciation is determined for related groups of assets under the straight-line method based upon their estimated useful lives of 3 to 39 years. Depreciation expense for the year ended May 31, 2024 was \$222,468.

Construction in Progress

The Mission capitalizes costs associated with the construction of property, plant, and equipment as construction in progress on the statement of financial position. These costs include direct construction costs, materials, labor, and other related expenses incurred during the construction phase. Construction in progress is not depreciated until the asset is substantially complete and ready for its intended use. Once the construction project is completed and the asset is placed in service, the costs associated with the construction are transferred to the appropriate property, plant, and equipment categories and are then subject to depreciation based on their estimated useful lives.

Amounts Held for Others

Amounts held for others consists of funds held for participants of the Guest Services and New Life Recovery programs on a voluntary basis.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Mission as the benefits are earned and vested.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include food preparation and distribution, clothing and household item distribution, academic center and job readiness, depreciation, operational expenses such as maintenance and repairs, and salaries and benefits.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses (continued)

Food preparation and distribution is allocated to programs based upon the number of meals served. Clothing and household items are allocated based upon an estimate of the percentage distributed to the population of each of the programs. Academic center and job readiness is allocated based upon the number of hours of class time for each program. Depreciation and operational expenses are allocated to buildings and other assets which are in turn allocated based upon the estimated usage of those assets. Salaries and benefits for food services, academic center and job readiness, and operations are allocated along with the other costs for those functions. Other salaries and benefits are allocated on the basis of estimates of time and effort.

Income Taxes

The Mission has received tax exempt status under Section 501(c)(3) of the Internal Revenue Code, and Section 23701(d) of the State of California Revenue and Taxation Code, and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Since the Mission is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Mission uses the same accounting methods for tax and financial reporting.

Generally accepted accounting principles prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management of the Mission has evaluated its uncertain tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. The Mission's tax returns are subject to examination by federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

NOTE 3 – PROPERTY AND EQUIPMENT

The Mission owns certain land and buildings that were acquired in full or in part through the Federal Home Loan Bank's (the FHLBank) Affordable Housing Program (AHP). These assets are pledged as collateral for the Mission's long-term debt. See additional information in Note 4 below.

Property and equipment is summarized as follows:

Building and improvements	\$ 6,901,247
Land	1,005,168
Furniture, fixtures and equipment	543,457
Vehicles	<u>175,337</u>
Total property and equipment	8,625,209
Less accumulated depreciation	<u>(2,920,288)</u>
Property and equipment, net	<u><u>\$ 5,704,921</u></u>

NOTE 4 – LONG-TERM DEBT

The Mission was approved for a grant under the FHLBank's Affordable Housing Program (AHP) in June 2014, in the original amount of \$1,500,000 for the Good News Houses project. The granted funds were disbursed to the Mission under a Subsidy Repayment Agreement with Umpqua Bank which is secured by real property (with a carrying value at May 31, 2024 of \$1,662,750). It does not accrue interest, except in the event of default, and will not amortize. The entire principal balance matures the later of January 1, 2033 or fifteen years after project completion. If the Mission continues to use the property in accordance with the terms of the Agreement, the entire balance will be forgiven by the FHLBank upon maturity.

The Mission was not in default with the terms of this Subsidy Repayment Agreement at May 31, 2024.

The Mission was approved for a grant under the FHLBank's Affordable Housing Program (AHP) in March 2006, in the original amount of \$1,000,000 to build the Bridge to New Life building and to remodel the men's shelter. The granted funds were disbursed to the Mission under a Subsidy Repayment Agreement with Umpqua Bank which was secured by real property. It did not accrue interest and was not amortized. The entire principal balance matured in December 2023. Since the Mission used the property in accordance with the terms of the agreement, the entire balance was forgiven on December 4, 2023 by the FHLBank. The forgiveness of this debt was recorded as debt extinguishment income in the statement of activities.

The Mission purchased a home for sober living located at 3131 Veda St., Redding, CA 96001, and has a note payable to Taipeng Peter Lu and Hsing Mei Lu, Trustees of the Lu Family Trust, in the amount of \$300,000. Interest on the unpaid principal will accrue at an annual rate of 6.0%, which began on November, 2023. The Mission is required to make equal monthly payments of \$1,799, which started in December, 2023 and will continue through November, 2028. At the end of this term, the remaining principal and any accrued interest will be due in full. Additionally, annual balloon payments of \$5,000 are due with the November payment each year until the loan matures in November, 2028, at which time the total outstanding balance, including a final balloon payment of \$279,209, will be due. The balance of this note payable was \$298,186 as of the year ended May 31, 2024. Interest expense is recorded in miscellaneous expenses on the statement of financial position.

In February 2024, the Mission was approved for a Development Funding Agreement grant with the City of Redding (the City) in the amount of up to \$3,000,000 for the purchase and rehabilitation of a Day Resource Center (DRC). As of May 31, 2024, \$946,747 of the grant had been recorded as a note payable, of which \$875,000 has been received, and \$71,746 is recorded in grants receivable for costs incurred but not yet received on the statement of financial position. The note is secured by deed of trust, and does not accrue interest and was not amortized. The City has agreed to forgive the loan in its entirety, provided that the Mission satisfactorily constructs and operates the project for three years from the date the City issues a Certificate of Completion. The determination of satisfactory operation is at the sole discretion of the City. As the Certificate of Completion has not yet been issued, the note remains payable unless forgiven upon meeting the required conditions.

Following is a schedule of principal balances maturing for the years ending May 31,:

2025	\$ 3,796
2026	4,030
2027	4,279
2028	4,543
2029	281,538
Thereafter	<u>2,446,746</u>
Total	<u>\$ 2,744,932</u>

NOTE 5 – DEFINED CONTRIBUTION PLAN

The Mission sponsors a defined contribution plan (the Plan) covering all eligible employees who agree to make contributions to the Plan. The Mission matches 50% of all participants' contributions to the Plan up to \$1,500 per year. Total contributions made by the Mission to the Plan for the year ended May 31, 2024, were \$6,695.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Mission received contributions from board members in the amount of \$27,005 for the year ended May 31, 2024. Of this amount, \$655 was made with restrictions and \$26,350 was made without restrictions.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at May 31, 2024:

Grants for various programs	\$ 222,320
Micro-Shelters	145,478
Guest Services	37,783
Women's New Life Recovery Program	6,956
Men's New Life Recovery Program	5,239
Fundraising	2,377
Solar Project	2,298
Victory House Playground Capital Project	1,500
REC Fund for WNLRP	1,329
Sober Living Homes	1,314
REC Fund for MNLRP	1,130
Administration	203
Food Services	194
Academics	36
Operations	28
	<hr/>
Total net assets with donor restrictions	\$ <u>428,185</u>

NOTE 8 – IN-KIND CONTRIBUTIONS

Non-cash contributions consist of the following for the year ended May 31, 2024:

Food	\$ 1,098,166
Clothing and household items	287,672
Donated stock	66,044
Professional services	1,217
	<hr/>
Total non-cash contributions	\$ <u>1,453,099</u>

NOTE 8 – IN-KIND CONTRIBUTIONS (continued)

The Mission receives contributed services from hundreds of unpaid volunteers who assist with a variety of services relating to program delivery, clerical, academic, basic health, and fundraising. Contributed services are recognized as contributions on the Statement of Activities in accordance with FASB ASC Subtopic 958-605-25-16, if the services (a) create or enhance a nonfinancial asset, or (b) require specialized skills, are provided by persons possessing those skills, and would need to be purchased if they were not donated. The volunteered dental services meet the above criteria and are valued at the usual and customary charges and are included as professional services in the table above. The remaining volunteered services provided to the Mission did not meet this criteria and, therefore, are not recognized in the accompanying financial statements. The Mission estimates the fair value of the contributed services not recognized in the statement of activities to be \$1,995,000 for the year ended May 31, 2024.

The Mission receives donated goods which consists of food, clothing, and household items and are reported as revenue at their estimated values at the date of receipt by using prices from local grocery stores and thrift stores.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Missions' financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consist of the following at May 31, 2024:

Financial assets available at year-end	
Cash and cash equivalents	\$ 790,055
Certificates of deposit	371,937
Grants receivable	252,810
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restrictions	(428,185)
Amounts held for others	<u>(40,509)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>946,108</u></u>

The Mission holds 3-year and 4-year Certificates of Deposit that will mature after the end of the 2026 and 2027 fiscal years, respectively. The terms of the Certificates of Deposit call for a forfeiture of 6 months interest in the event of early withdrawal. The Mission considers these investments as available for cash flow. Funds in excess of budget are considered to be reserved by the board until designated or appropriated by a board vote. These funds are kept in liquid accounts, but are not available for general expenditures without board action. Financial assets that have been donated with restrictions on their use are not available for general expenditures.

NOTE 10 – SUBSEQUENT EVENTS

The Mission has evaluated subsequent events through May 16, 2025 which is the date the financial statements were available to be issued.