

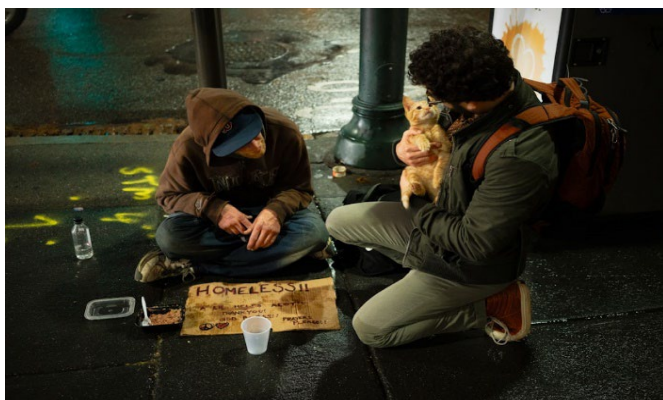
***ELITE Financial & Consulting Services, LLC***

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**Audited Financial Statements of:**

***SALT OUTREACH, INC.***

**Year ended December 31, 2023**



# **SALT OUTREACH, INC.**

## **Audited Financial Statements**

Year ended December 31, 2023

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# ***ELITE FINANCIAL & CONSULTING SERVICES, LLC***

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Shareholders of  
**SALT OUTREACH, INC.**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of SALT Outreach, Inc. (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2023 and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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***ELITE FINANCIAL & ACCOUNTING SERVICES, INC.***

**INDEPENDENT AUDITOR'S REPORT**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

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

*Elite Financial & Consulting Services, LLC*

ELITE Financial & Consulting Services, LLC

Orlando, FL

April 15, 2024



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# SALT OUTREACH, INC.

## Statement of Financial Position

For the year ended December 31, 2023

	2022	2023
	<i>Restated</i>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 234,262	\$ 554,682
Short-Term Investments	-	100,616
Grant Receivables	403,109	44,558
Other Receivables	81,311	2,500
<b>Total CURRENT ASSETS</b>	<b>718,682</b>	<b>702,356</b>
<b>FIXED ASSETS</b>		
Clothing Trailer	2,873	2,873
Shower Trailer #1	38,040	38,040
Solar Panels - Shower Trailer#1	11,500	11,500
Shower Trailer #2	67,663	49,312
Solar Panels - Shower Trailer #2	15,485	15,485
Shower Trailer#3	-	54,500
Shower Trailer#4	-	77,057
Hybrid Trailer -Shower/Laundry	-	107,217
Hybrid Trailer - Generator	-	3,336
Laundry Trailer	74,620	74,620
Laundry Trailer - Generators	9,811	9,811
Vehicles	43,560	111,565
Multi-Family Container Home	25,615	-
Multi-Purpose Bus	216,000	216,000
Furniture & Equipment	20,713	35,841
Computers	13,001	17,728
Capitalized Software	8,386	8,386
Less: Accumulated Amortization	(1,118)	(2,795)
Less: Accumulated Depreciation	(94,225)	(137,141)
<b>Total NET FIXED ASSETS</b>	<b>451,924</b>	<b>693,337</b>
<b>OTHER ASSETS</b>		
Prepays & Other Assets	\$ 3,243	\$ -
<b>Total OTHER ASSETS</b>	<b>3,243</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,173,849</b>	<b>\$ 1,395,693</b>

# SALT OUTREACH, INC.

## CONT'D

### Statement of Financial Position

For the year ended December 31, 2023

	2022	2023
	<i>Restated</i>	
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable & accrued liabilities	106,340	42,872
Itria Ventures Loan	59,375	-
Fiscal Agent payable	-	74,950
<b>Total CURRENT LIABILITIES</b>	<b>165,715</b>	<b>117,822</b>
<b>LONG-TERM LIABILITIES</b>		
Vehicle loan payable	-	33,545
Hybrid Trailer loan payable	-	88,962
Shower Trailer #3 loan payable	-	42,979
Economic Injury Disaster Loan (EIDL)	101,200	101,200
<b>Total LONG-TERM LIABILITIES</b>	<b>101,200</b>	<b>266,685</b>
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions	798,756	689,381
Net Assets With Donor Restrictions	108,177	321,805
<b>Total NET ASSETS</b>	<b>906,934</b>	<b>1,011,186</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,173,849</b>	<b>\$ 1,395,693</b>

# SALT OUTREACH, INC.

## Statement of Activities

For the year ended December 31, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL NET ASSETS
<b>PUBLIC SUPPORT &amp; REVENUE</b>			
Contributions - Individuals	\$ 530,870	-	530,870
Contributions - Corporations	174,096	309,899	483,994
Government Grants	442,904	-	442,904
Foundation Grants	171,723	82,636	254,358
Accrued Grant Revenue	44,558	-	44,558
Fundraising Events	-	-	-
In-Kind Donations-Services	294,198	-	294,198
In-Kind Donations-Goods	619,186	-	619,186
Other Income	88,180	30,000	118,180
<b>Total Public Support and Revenue before Transfers</b>	<b>\$ 2,365,714</b>	<b>\$ 422,535</b>	<b>\$ 2,788,248</b>
<b>Net Assets Released From Restrictions due to Satisfaction of Donor-imposed Requirements</b>	<b>\$ 208,907</b>	<b>\$ (208,907)</b>	<b>\$ -</b>
<b>Total Public Support and Revenue</b>	<b>\$ 2,574,620</b>	<b>\$ 213,628</b>	<b>\$ 2,788,248</b>
<b>EXPENSES:</b>			
Program	2,232,225	-	2,232,225
Management & General	319,618	-	319,618
Fundraising	41,125	-	41,125
<b>Total Expenses</b>	<b>\$ 2,592,968</b>	<b>\$ -</b>	<b>\$ 2,592,968</b>
<b>NET CHANGES IN NET ASSETS</b>	<b>(18,347)</b>	<b>213,628</b>	<b>195,280</b>
<b>NET ASSETS:</b>			
Net Assets, Beginning of Year	\$ 798,756	\$ 108,177	906,934
<i>Prior Period adjustment</i>	\$ (91,028)	\$ -	(91,028)
<b>Net Assets, End of Year</b>	<b>\$ 689,381</b>	<b>\$ 321,805</b>	<b>\$ 1,011,186</b>

See Accompany Notes to Financial Statements

# SALT OUTREACH, INC.

## Statement of Activities

For the year ended December 31, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	TOTAL NET ASSETS
			<i>(Restated)</i>
<b>PUBLIC SUPPORT &amp; REVENUE</b>			
Contributions - Individuals	\$ 411,341	49,881	461,221
Contributions - Corporations	70,621	56,500	127,121
Government Grants	-	790,428	790,428
Foundation Grants	64,199	27,500	91,699
Accrued Grant Revenue	403,108	-	403,108
Fundraising Events	-	-	-
In-Kind Donations-Services	99,345	-	99,345
In-Kind Donations-Goods	485,338	-	485,338
In-Kind Donations-Assets	228,935	-	228,935
Other Income	204,959	-	204,959
<b>Total Public Support and Revenue before Transfers</b>	<b>\$ 1,967,845</b>	<b>\$ 924,309</b>	<b>\$ 2,892,154</b>
<b>Net Assets Released From Restrictions due to Satisfaction of Donor-imposed Requirements</b>	<b>\$ 924,309</b>	<b>\$ (915,553)</b>	<b>\$ 8,756</b>
<b>Total Public Support and Revenue</b>	<b>\$ 2,892,154</b>	<b>\$ 8,756</b>	<b>\$ 2,900,910</b>
<b>EXPENSES:</b>			
Program	1,898,294	-	1,898,294
Management & General	420,810	-	420,810
Fundraising	89,475	-	89,475
<b>Total Expenses</b>	<b>\$ 2,408,579</b>	<b>\$ -</b>	<b>\$ 2,408,579</b>
<b>NET CHANGES IN NET ASSETS</b>	<b>483,575</b>	<b>8,756</b>	<b>492,330</b>
<b>NET ASSETS:</b>			
Net Assets, Beginning of Year	324,899	99,421	424,320
Prior period adjustment	\$ (9,717)	\$ -	(9,717)
<b>Net Assets, End of Year</b>	<b>\$ 798,756</b>	<b>\$ 108,177</b>	<b>\$ 906,934</b>

See Accompany Notes to Financial Statements



## SALT OUTREACH, INC.

### Statement of Functional Expenses

For the year ended December 31, 2023

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Compensation	825,612	186,527	8,500	\$ 1,020,639
Employer Payroll Taxes	71,448	-	-	71,448
Employee Benefits	81,965	-	-	81,965
Payroll Admin Fees	8,655	-	-	8,655
<b>Total Compensation and Related Expenses</b>	<b>\$ 987,681</b>	<b>\$ 186,527</b>	<b>\$ 8,500</b>	<b>\$ 1,182,708</b>
Advertising & Public Relations	2,200	3,299	5,499	10,998
Amortization expense	1,677	-	-	1,677
Auto Expense	24,905	-	-	24,905
Bank Charges & Payment Process Fees	-	25,521	-	25,521
Computer/ Software	17,250	4,312	-	21,562
Depreciation	66,833	-	-	66,833
Donated Goods	618,686	-	-	618,686
Donated Services	294,198	-	-	294,198
Employee Expense	8,516	-	-	8,516
Fundraising Expenses	-	-	27,126	27,126
Insurance	-	3,640	-	3,640
Interest Expense	-	21,262	-	21,262
Janitorial expense	-	-	-	-
Outreach Expenses:				
Clothing for Clients	12,079	-	-	12,079
Direct Assistance for Clients	8,197	-	-	8,197
Food for Clients	2,123	-	-	2,123
Haircuts-Barbers for Clients	7,345	-	-	7,345
Hotel for Clients	52,258	-	-	52,258
Outreach Supplies	5,787	-	-	5,787
Travel for Client & Reunifications	16,429	-	-	16,429
Laundry Supplies	5,207	-	-	5,207
Legal & Professional Services	-	47,657	-	47,657
Loss on Sale/Disposal of Asset	21,724	-	-	21,724
Membership Fees	-	2,485	-	2,485
Office Expense	8,265	-	-	8,265
Repairs & Maintenance	3,379	-	-	3,379
Rent - Office	-	19,126	-	19,126
Research & Development	4,576	-	-	4,576
Security	23,986	-	-	23,986
Shower Outreach Supplies	8,639	-	-	8,639
Telephone	-	3,821	-	3,821
Trailer Supplies & Maintenance	8,692	-	-	8,692
Training/Educational Expense	-	-	-	-
Travel	3,895	-	-	3,895
Utilities	17,700	1,967	-	19,667
<b>Total Functional Expenses</b>	<b>\$ 2,232,225</b>	<b>\$ 319,618</b>	<b>\$ 41,125</b>	<b>\$ 2,592,968</b>

See Accompanying Notes to Financial Statements

## SALT OUTREACH, INC.

### Statement of Functional Expenses

For the year ended December 31, 2022

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Compensation	\$750,491	\$248,194	\$50,429	\$ 1,049,114
Employer Payroll Taxes	34,820	10,790	-	45,610
Employee Benefits	88,490	27,422	-	115,912
Payroll Admin Fees	8,273	-	-	8,273
<b>Total Compensation and Related Expenses</b>	<b>\$ 882,075</b>	<b>\$ 286,406</b>	<b>\$ 50,429</b>	<b>\$ 1,218,909</b>
Advertising & Public Relations	498	7,156	36,279	43,934
Amortization expense	1,118	-	-	1,118
Auto Expense	17,723	-	-	17,723
Bank Charges & Payment Process Fees	-	11,161	-	11,161
Computer/ Software	24,187	-	-	24,187
Depreciation	50,333	-	-	50,333
Donated Goods	485,338	-	-	485,338
Donated Services	99,345	-	-	99,345
Employee Expense	28,111	-	-	28,111
Fundraising Expenses	-	-	2,768	2,768
Insurance	-	12,745	-	12,745
Interest Expense	-	21,834	-	21,834
Janitorial expense	-	2,976	-	2,976
Outreach Expenses:				
Clothing for Clients	58,150	-	-	58,150
Direct Assistance for Clients	8,271	-	-	8,271
Food for Clients	28,515	-	-	28,515
Haircuts-Barbers for Clients	10,049	-	-	10,049
Hotel for Clients	79,948	-	-	79,948
Outreach Supplies	26,554	-	-	26,554
Travel Expense for Clients	10,297	-	-	10,297
Laundry Supplies	6,918	-	-	6,918
Legal & Professional Services	-	26,633	-	26,633
Membership Fees	-	1,653	-	1,653
Office Expense	17,754	-	-	17,754
Repairs & Maintenance	2,564	-	-	2,564
Rent - Office	-	23,865	-	23,865
Security	17,562	-	-	17,562
Shower Outreach Supplies	26,053	-	-	26,053
Storage	-	-	-	-
Telephone	-	4,693	-	4,693
Trailer Supplies & Maintenance	9,002	-	-	9,002
Training/Educational Expense	-	6,590	-	6,590
Travel	7,930	-	-	7,930
Utilities	-	15,097	-	15,097
<b>Total Functional Expenses</b>	<b>\$ 1,898,294</b>	<b>\$ 420,811</b>	<b>\$ 89,475</b>	<b>\$ 2,408,580</b>

# SALT OUTREACH, INC.

## Statement of Cash Flows

For the year ended December 31, 2023

	<b>2023</b>
<b>Cash flows from operating activities:</b>	
Net Changes in Net Assets	195,280
Adjustments to reconcile change in net assets to net cash Provided (used in) operating activities:	
Depreciation & Amortization	68,510
Account Receivables	437,362
Other Assets	(97,373)
Change in assets and liabilities:	
Accounts payable & accrued expenses	165,485
Loss on Sale of Asset	21,724
<b>Net cash provided by operating activities</b>	<b>\$790,988</b>
<b>Cash flow from investing activities:</b>	
Proceeds from sale of fixed assets	24,000
Purchases of fixed assets	(329,083)
<b>Net cash used in investing activities</b>	<b>(\$305,083)</b>
<b>Cash flow from financing activities:</b>	
Long-term liabilities	\$ (165,485)
Proceeds from Economic Injury Disaster Loan	-
<b>Net cash used in financing activities</b>	<b>(\$165,485)</b>
<b>Net increase/decrease in cash equivalents and restricted cash</b>	<b>\$320,420</b>
Cash, cash equivalents, and restricted cash at beginning of year	\$234,262
<b>Cash, cash equivalents, and restricted cash at end of year</b>	<b>\$554,682</b>

See Accompanying Notes to Financial Statements

**SALT OUTREACH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - GENERAL**

**Organization and Nature of Activities**

SALT Outreach, Inc (the “Organization”), is a 501(c)(3) nonprofit organization located in Orlando, FL that was established in 2011. SALT, an acronym that stands for Service and Love Together, is a youth and young adult organization that aims to exemplify the character of Christ through evangelism, meeting the needs of the community, equipping people for service, and fostering spiritual growth.

The Organization services primarily the Central Florida area and is funded primarily through contributions by government grants, individuals, and corporations.

In 2018, the Organization launched a mobile day service center for the homeless and purchased a mobile shower trailer with four full bathrooms.

In 2021, the Organization installed a fully operational laundry trailer with six industrial sized washers and dryers. During the year, the Organization also started the construction of a multi-family mobile home, which will be used as a permanent supportive home for people experiencing homelessness.

In 2022, the organization started construction of an office trailer, which will be completed in the year 2024. During the year, SALT increased the number of locations for its mobile drop-in centers and started the SALT Outposts as a way to expand SALT branches through churches within the State of Florida.

In 2023, the organization completed the construction of two additional mobile shower trailers. During the month of December 2023, SALT also completed the construction of a mobile Hybrid Trailer (Shower & Laundry). This trailer will serve the new youth program provided by SALT in the year 2024.

SALT provides a comprehensive front door for people experiencing homelessness.

Currently, the Organization mainly focuses on meeting the needs of the homeless (unsheltered friends/clients) which includes showers through a mobile shower trailer, and laundry through a mobile laundry trailer. SALT provides clothing and hygiene products, food, haircuts, mobile phone charging, storage services, mail services, and other resources through their case management, mental health counseling, spiritual care teams and various partner agencies.

**S.A.L.T. OUTREACH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The Statements of Activities and Functional Expenses includes certain prior year summarized comparative information in total, but not by function. Such information does not include sufficient detail constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such Information should be read in conjunction with the Organization’s financial statements as of and for the year ended December 31, 2023, from which the summarized information was derived.

**Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid temporary investments with a maturity of three months or less. There are no payments made for interest or income taxes for the year ended December 31, 2023. The Organization maintains two bank accounts with one financial institution which, at times, may exceed federally insured limits.

**Restrictions on Cash and Cash Equivalents**

A statement of cash flows shall explain the change during the period in the total cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. The Organization will disclose any information about the nature of restrictions on its cash, cash equivalents, and amounts generally described as restricted cash or cash restricted cash equivalents.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from estimates.

**Contributions Receivable**

The Organization uses the allowance method to determine uncollectible receivables and it considers all receivables to be fully collectible and, therefore, no allowance for uncollectible receivables has been recorded. For the years ended December 31, 2022, and 2023, the Organization had Grant Receivables of \$403,108 and \$28,931 respectively. Grant Receivables as of December 31, 2023, consisted of amounts due from the Homeless Services Network of Central Florida (HSN) HUD YHDP, the City of Orlando- CDBG, the City of Orlando – ESG, and Orange County CDBG.

**S.A.L.T. OUTREACH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**CONT'D NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Property and Equipment**

Property and equipment are stated at cost or at their estimated fair value at the date of donation. Depreciation is determined using the straight-line method based on the estimated useful life of the assets, which range from five to twenty years. The Organization follows a policy of capitalizing acquisitions of equipment or repairs that materially prolong the useful life of the assets.

**Donated Goods and Services**

Donated Goods are recognized at their estimated value at the date of service. For the years ended December 31, 2022, and 2023, the Organization received donated goods in the amount of \$714,273 and \$618,686, respectively. Donated Services are recognized at the estimated hourly pay rate for the industry. For the years ended December 31, 2022, and 2023, the Organization received donated services in the amount of \$99,345 and \$294,198 respectively. Many individuals including interns, volunteer time and perform a variety of tasks that assist the Organization with various program and administrative tasks.

**Classification of Net Assets:**

The Net Assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

**Net Assets Without Donor Restrictions-** Amounts that are not subject to usage restriction based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

**Net Assets with Donor Restrictions** – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization.

**Public Support and Revenue Recognition**

Public Support is recognized in the year received at its fair market value. Contributions with donor-imposed restrictions are reported as restricted support. The satisfaction of expiration of donor-imposed restrictions is recorded as a transfer from net assets with donor restrictions to net assets without donor restrictions.

**Functional Allocation of Expenses**

The Organization's expenses are recognized in the Statement of Activities as decreases in Net Assets Without Donor Restrictions. Directly identifiable expenses are charged to programs and services. Expenses related to more than one function are charged to programs services on the basis of time and expense estimates in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and administrative activities benefited.

**SALT OUTREACH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**CONT'D NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Advertising**

During the year, the Organization discontinued the use of an eMarketing firm which had a monthly costing of \$4,000. The Organization's advertising expense for the years ended December 31, 2022, and 2023 was \$43,934 and \$10,998 respectively. The Organization's policy is to expense advertising costs as incurred.

**Income Taxes**

The organization is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. For the year ended December 31, 2023, the organization has determined that no income taxes are due for its activities. Accordingly, no provision for income tax has been recorded in the accompanying financial statements. In addition, the Organization has been classified as an entity that is not a private foundation within meaning of Section 509(a) of the Internal Revenue Code.

**Commitments**

In August 2021, the organization signed a month-to-month lease with VentureX for an off-site mailbox with monthly payments of \$76. As of September 2023, the Organization signed a month-to-month rental agreement with Public Storage with monthly payments of \$242. The Organization has no other lease or rental commitments.

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

In February 2016, the Financial Accounting Standards Board (FASB) issued a new Accounting Standard Update, ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for leases with terms longer than 12 months. The accounting guidance for lessors is largely unchanged. The ASU is effective for fiscal years beginning after December 15, 2019. It is to be adopted using a modified retrospective approach. The Organization currently does not have any leases with terms greater than twelve months.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e.- an exchange transaction) or non-reciprocal (i.e. – a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU is applicable to contributions received for years beginning after December 15, 2018, and interim periods within years beginning after December 15, 2019. The Organization is currently evaluating the impact of the adoption of this guidance on its financial statements.

**S.A.L.T. OUTREACH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**CONT'D NOTE 3 – ADOPTIONS OF ACCOUNTING PRONOUNCEMENTS**

**NOTE 3 – ADOPTIONS OF ACCOUNTING PRONOUNCEMENTS**

In May 2014, the FASB issued a new Accounting Standard Update, ASU 2014-09, Revenue from Contracts, (Topic 606), which impacts revenue recognition for exchange transactions. It requires recognition of revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2018. The Organization adopted the ASU 2014-09 effective December 15, 2018. The adoption of this ASU does not have a material impact on the financial statements.

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in the financial statements and notes about its liquidity, financial performance, and cash flows. The changes include reducing the classes of net assets from three classes to two: net assets with donor restrictions and net assets without donor restrictions and expands disclosures about the nature and amount of any donor restrictions.

The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for annual periods beginning after December 31, 2017, and interim periods within fiscal years beginning after December 15, 2018. The Organization adopted the ASU effective December 15, 2018. Adoption of the ASU 2016-14 did not result in any reclassifications or restatements to net assets or changes in net assets.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Organization adopted the ASU 2016-18 effective January 1, 2019 and the adoption of the ASU 2016-18 does not have a material impact on the financial statements.



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**NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS**

	2022	2023
Permanent Supportive Tiny Homes	99,421	80,000
Simply Healthcare		5,715
Red Cross – Staffing		25,000
Red Cross – Construction		49,950
LINK Trailer (Link Logistics Real Estate)		22,943
ASI Bible Fund		8,197
Florida Conference Data		15,000
NAD Data Grant		15,000
Universal Orlando Foundation		100,000
 Total Net Assets with Donor Restrictions	 \$99,421	 \$321,805

During the year, amounts restricted by donors were \$422,535. Expended amounts were \$100,730 as of December 31, 2023 with a balance of \$321,805 for Net Assets with Donor Restrictions.

**Restricted Grants**

During the year, the organization received a \$110,953 grant from the Orange County-Homeless Services Network of Central Florida (HSN) for Permanent Supportive Housing (PSH) which covers the period October 1, 2022 to September 30, 2023. This grant is a cost reimbursable agreement and is restricted for Case Management services and housing support provided by the Organization. Amounts spent are reimbursed to the Organization on a monthly basis.

In November 2022, the grant contract was signed and executed between the Organization and Orange County- ESG which covers the period October 1, 2021 to July 1, 2023. This grant is cost reimbursable agreement and is restricted for the Organization’s salaries and outreach supplies expenses. Amounts spent are reimbursed to the Organization on a monthly basis.

The organization received a \$30,000 grant from the City of Orlando-ESG which covers the period October 1, 2022 to September 30, 2023. This grant is a cost reimbursable agreement and is restricted for supporting the Organization to continue operating its mobile drop-in centers and services to meet the basic need of people experiencing homelessness. Amounts spent are reimbursed to the Organization on a monthly basis.

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**Cont'd Restricted Grants**

On May 1, 2023 the Organization was awarded a grant amount of \$150,000 from Simply Healthcare Plans, Inc., which will be in effect through December 1, 2025. The purpose of this grant will be to assist the Organization in expanding its Mobile Outreach Program in providing additional mobile support vehicles to extend laundry and shower services as well as case management, food and clothing distributions and healthcare support to additional counties in Central Florida. The grant will help provide a co-branded hybrid mobile shower and laundry trailer and a co-branded truck to pull the trailers which will benefit Central Florida and additional areas in Florida.

On July 17, 2023 the Organization was awarded a one-time grant amount of \$100,000 from Link Logistics Real Estate LLC. This grant amount will be used to purchase a new 3-bathroom mobile shower trailer to serve the unsheltered, generate grant revenue, and generate earned income revenue for the Organization.

During the year, the Organization received a \$30,000 Emergency Solutions Grant (ESG) from the City of Orlando, which covers the period October 1, 2023 to September 30, 2024. This grant funding will be used to support outreach assistants of the Organization to continue operating their mobile drop-in center and provide services to meet the basic needs of people experiencing homelessness.

During the year, the organization received a \$30,000 grant from the City of Orlando - Community Development Block Grant Program ('CDBG') which covers the period October 1, 2023 to September 30, 2024. The Organization will use these CDBG funds to support the salaries, benefits, and taxes of key personnel and staff who will provide case management services for approximately two hundred (200) low- and moderate-income persons experiencing homelessness according to the CDBG income guidelines. Amounts spent are reimbursed to the Organization on a monthly basis.

The organization was awarded a \$250,000 Community Impact Grant from AdventHealth Orlando for the period from September 1, 2023 - December 31, 2024. This grant will be used for diversion efforts for unsheltered individuals, increase housing retention, utilization of a community resource network, and staff support. and funding is contingent upon the Organization meeting the grant expectations. A detailed record of funding is required by AdventHealth Orlando.

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**NOTE 5 – CAPITAL ASSETS**

Capital assets are recorded at cost on the date of the acquisition, or fair value on the date of donation. Capital asset additions with an original value of \$1,000 or more, and more than one year of life are capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful lives of 5 to 15 years and consist of the following for the year ended December 31, 2023:

December 31, 2023

Trailers:	
Shower#1 (mobile trailers)	38,040
Shower#1- Solar Panels	11,500
Shower#2 (mobile trailers)	49,312
Shower#2 – Solar Panels	15,485
Shower#3	54,500
Shower Trailer #4 –	77,057
Hybrid Trailer- Shower/Laundry	107,217
Hybrid Trailer – Generator	3,336
Laundry (mobile trailers)	74,620
Laundry – Generators	9,811
Clothing Trailer	2,875
Multi-Purpose Bus	216,000
Vehicles (Trucks)	111,565
Computers	17,728
Furniture & Equipment	<u>35,841</u>
	\$824,887
Less: Accumulated Depreciation	<u>(137,141)</u>
<b>Total Fixed Assets</b>	<b><u>\$687,746</u></b>
Capitalized Software	<u>\$8,386</u>
Less: Accumulated Amortization	<u>(2,795)</u>
<b>Total Capitalized Software</b>	<b><u>\$5,591</u></b>
<b>Total Capital Assets</b>	<b><u>\$693,337</u></b>

For the years ended December 31, 2022, and 2023 depreciation expense totaled \$50,333 and \$66,833, respectively.

For the years ended December 31, 2022, and 2023 amortization expense totaled \$1,118 and \$2,795, respectively.

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**NOTE 6 - UNCERTAIN TAX POSITIONS**

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2023, there are no known items which would result in a material accrual to where the Organization has federal or state attributable tax positions. Generally, the taxing authorities have three years to examine a tax return from the later of the filing date or the extended due date.

**NOTE 7 – SBA ECONOMIC INJURY DISASTER LOAN (EIDL)**

In June 2020, the organization received an Economic Injury Disaster Loan (EIDL) in the amount of \$34,900 from the Small Business Administration (SBA).

In March 2021, the organization received additional funds for an Economic Injury Disaster Loan (EIDL) in the amount of \$66,300 from the Small Business Administration (SBA). The loan repayment term will begin twenty-four (24) months from the date of the original loan, which is June 2020. Installment payments will be made at an interest rate of 2.75%.

The SBA stipulated that these loan proceeds are to be used solely as working capital to alleviate economic relief to small businesses and nonprofit organizations experiencing a temporary loss of revenue due to the Coronavirus (Covid-19).

**NOTE 8 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the audit report date, which is the date the financial statements were available to be issued.