

OUTREACH UNITED RESOURCE CENTER, INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2023 and 2022

OUTREACH UNITED RESOURCE CENTER, INC.

Table of Contents

JUNE 30, 2023 and 2022

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENTS OF FUNCTIONAL EXPENSES	5 - 6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8 - 18
SUPPLEMENTAL INFORMATION	
SCHEDULE OF ACTIVITIES BY PROGRAM	20

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors:  
Outreach United Resource Center, Inc.  
Longmont, Colorado

We have audited the accompanying financial statements of Outreach United Resource Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Outreach United Resource Center, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Outreach United Resource Center, Inc. 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 opinions.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Outreach United Resource Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

MIDDLEMIST CROUCH & CO., CPAs, P.C.

*Middlemist Crouch & Co CPAs PC*

Boulder, Colorado

October 13, 2023

## FINANCIAL STATEMENTS

OUTREACH UNITED RESOURCE CENTER, INC.  
Statements of Financial Position  
JUNE 30, 2023 and 2022

ASSETS

	2023	2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,862,488	\$ 3,187,282
Unconditional promises to give, with donor restriction	282,073	318,959
Inventory	74,974	85,540
Other assets	49,746	39,623
Total Current Assets	<u>4,269,281</u>	<u>3,631,404</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land, building and improvements	6,082,547	6,110,015
Furniture, fixtures and equipment	84,716	26,124
Total property and equipment	<u>6,167,263</u>	<u>6,136,139</u>
Less: Accumulated depreciation	(1,672,494)	(1,515,277)
Total Property & Equipment	<u>4,494,769</u>	<u>4,620,862</u>
<b>OTHER ASSETS</b>		
Investments - Endowment	49,435	47,096
Restricted Cash for COPE program	7,895	26,521
Total Other Assets	<u>57,330</u>	<u>73,617</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 8,821,380</u></u>	<u><u>\$ 8,325,883</u></u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 51,954	\$ 21,947
Accrued expenses	50,867	45,270
Total Current Liabilities	<u>102,821</u>	<u>67,217</u>
<b>NET ASSETS</b>		
Without donor restriction	7,909,814	7,448,798
With donor restriction	808,745	809,868
Total Net Assets	<u>8,718,559</u>	<u>8,258,666</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 8,821,380</u></u>	<u><u>\$ 8,325,883</u></u>

See accompanying notes to financial statements

OUTREACH UNITED RESOURCE CENTER, INC.  
Statements of Activities and Changes in Net Assets  
For the years ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT AND REVENUE</b>						
In-kind donations	\$ 2,096,717	\$ -	\$ 2,096,717	\$ 1,925,357	\$ -	\$ 1,925,357
Contributions	1,097,284	436,865	1,534,149	1,328,378	427,533	1,755,911
Grant revenue	1,887,131	-	1,887,131	1,676,795	-	1,676,795
Service fees and contracts	504,457	-	504,457	509,273	-	509,273
Special events, net of expenses of \$4,354 and \$1,853	47,651	-	47,651	33,491	-	33,491
Investment income	20,073	-	20,073	(2,853)	-	(2,853)
Other income	3,777	-	3,777	11,710	-	11,710
Loss on disposal of assets	-	-	-	(17,882)	-	(17,882)
Net assets released from restriction	437,988	(437,988)	-	178,380	(178,380)	-
Total support and revenue	<u>6,095,078</u>	<u>(1,123)</u>	<u>6,093,955</u>	<u>5,642,649</u>	<u>249,153</u>	<u>5,891,802</u>
<b>EXPENSES</b>						
Program services						
Basic Needs	1,674,946	-	1,674,946	1,475,587	-	1,475,587
Child Care	667,169	-	667,169	611,357	-	611,357
Community Closet	50,351	-	50,351	45,141	-	45,141
Community Market	1,867,569	-	1,867,569	1,702,476	-	1,702,476
Hospitality Center	542,876	-	542,876	523,087	-	523,087
Soft Voices	13,251	-	13,251	11,462	-	11,462
Adult Learning	82,610	-	82,610	40,529	-	40,529
Fundraising	164,144	-	164,144	165,121	-	165,121
General and administrative	571,146	-	571,146	393,476	-	393,476
Total expenses and losses	<u>5,634,062</u>	<u>-</u>	<u>5,634,062</u>	<u>4,968,236</u>	<u>-</u>	<u>4,968,236</u>
<b>CHANGE IN NET ASSETS</b>	461,016	(1,123)	459,893	674,413	249,153	923,566
<b>NET ASSETS--BEGINNING OF YEAR</b>	<u>7,448,798</u>	<u>809,868</u>	<u>8,258,666</u>	<u>6,774,385</u>	<u>560,715</u>	<u>7,335,100</u>
<b>NET ASSETS--END OF YEAR</b>	<u>\$ 7,909,814</u>	<u>\$ 808,745</u>	<u>\$ 8,718,559</u>	<u>\$ 7,448,798</u>	<u>\$ 809,868</u>	<u>\$ 8,258,666</u>

See accompanying notes to financial statements

OUTREACH UNITED RESOURCE CENTER, INC.  
Statement of Functional Expenses  
For the year ended June 30, 2023

	Program Services								Supporting Services			2023 Total
	Basic Needs	Child Care	Community Closet	Community Café	Community Market	Soft Voices	Adult Learning	Total	General & Admin	Fundraising	Total	
Salaries	\$ 671,004	\$ 475,567	\$ 34,837	\$ 83,187	\$ 59,102	\$ 11,272	\$ 35,260	\$ 1,370,229	\$ 177,750	\$ 121,731	\$ 299,481	\$ 1,669,710
Employee benefits	60,915	31,194	6,151	7,880	10,130	-	-	116,270	13,935	9,543	23,478	139,748
Payroll taxes	51,864	37,306	2,645	6,237	4,505	888	2,756	106,201	13,553	9,272	22,825	129,026
Total salaries and expenses	783,783	544,067	43,633	97,304	73,737	12,160	38,016	1,592,700	205,238	140,546	345,784	1,938,484
In-kind expenses												
Food	-	-	-	402,958	1,704,262	-	-	2,107,220	-	-	-	2,107,220
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-
Contract and temporary labor	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	157,217	-	157,217	157,217
Direct marketing	398	179	-	-	-	-	-	577	635	23,598	24,233	24,810
Dues and subscriptions	11,666	190	-	710	-	-	-	12,566	575	-	575	13,141
Food	-	13,586	-	5,705	64,740	-	-	84,031	-	-	-	84,031
Insurance	16,377	6,207	914	2,102	6,570	256	898	33,324	88,191	-	88,191	121,515
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-
Investment expense/bank fees	11,145	1,093	-	1,071	917	-	-	14,226	78	-	78	14,304
Licenses and permits	75	654	-	-	-	-	-	729	20	-	20	749
Miscellaneous	10,136	3,221	221	358	148	122	66	14,272	9,613	-	9,613	23,885
Postage and delivery	3,247	10	-	-	-	-	-	3,257	672	-	672	3,929
Advertising and printing	4,515	5,555	17	309	486	-	-	10,882	4,869	-	4,869	15,751
Professional services	18,166	-	-	-	-	-	-	18,166	95,586	-	95,586	113,752
Program-DFA expense	601,195	-	3,070	-	-	-	-	604,265	-	-	-	604,265
Program expense	8,248	-	-	-	-	-	41,178	49,426	-	-	-	49,426
Repairs and maintenance	82,638	35,731	49	12,411	11,823	-	-	142,652	124	-	124	142,776
Supplies and equipment	29,463	35,992	2,447	19,707	3,912	538	196	92,255	7,852	-	7,852	100,107
Telephone and internet	9,806	3,773	-	-	-	175	-	13,754	-	-	-	13,754
Training and development	12,366	4,174	-	224	43	-	2,256	19,063	69	-	69	19,132
Travel and Transportation	2,339	269	-	17	635	-	-	3,260	407	-	407	3,667
Utilities	69,383	12,468	-	-	296	-	-	82,147	-	-	-	82,147
Total expenses	\$ 1,674,946	\$ 667,169	\$ 50,351	\$ 542,876	\$ 1,867,569	\$ 13,251	\$ 82,610	\$ 4,898,772	\$ 571,146	\$ 164,144	\$ 735,290	\$ 5,634,062
% of total	29.73%	11.84%	0.89%	9.64%	33.15%	0.24%	1.47%	86.95%	10.14%	2.91%	13.05%	100.00%

See accompanying notes to financial statements



OUTREACH UNITED RESOURCE CENTER, INC.

Statement of Functional Expenses

For the year ended June 30, 2022

	Program Services								Supporting Services			2022 Total
	Basic Needs	Child Care	Community Closet	Community Café	Community Market	Soft Voices	Adult Learning	Total	General & Admin	Fundraising	Total	
Salaries	\$ 572,826	\$ 436,536	\$ 31,590	\$ 77,946	\$ 69,716	\$ 8,192	\$ 17,539	\$ 1,214,345	\$ 88,796	\$ 126,498	\$ 215,294	\$ 1,429,639
Employee benefits	74,162	20,653	5,825	7,155	3,256	-	2,926	113,977	4,909	11,049	15,958	129,935
Payroll taxes	41,821	33,154	2,235	5,937	5,266	627	1,398	90,438	6,645	9,479	16,124	106,562
Total salaries and expenses	688,809	490,343	39,650	91,038	78,238	8,819	21,863	1,418,760	100,350	147,026	247,376	1,666,136
In-kind expenses												
Food	-	-	-	395,450	1,558,488	-	-	1,953,938	-	-	-	1,953,938
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-
Contract and temporary labor	24,307	-	-	-	-	-	-	24,307	59,016	-	59,016	83,323
Depreciation	-	23,672	-	-	-	-	-	23,672	134,144	-	134,144	157,816
Direct marketing	-	-	-	-	-	-	-	-	-	18,092	18,092	18,092
Dues and subscriptions	4,031	189	-	-	-	-	-	4,220	650	-	650	4,870
Food	10,033	-	-	8,783	44,778	-	-	63,594	-	-	-	63,594
Insurance	12,792	4,726	885	1,575	6,727	197	1,287	28,189	71,342	-	71,342	99,531
Interest expense	-	-	-	-	-	-	-	-	5,151	-	5,151	5,151
Investment expense/bank fees	6,306	1,120	-	1,261	1,134	-	-	9,821	2,961	3	2,964	12,785
Licenses and permits	974	874	-	-	90	-	-	1,938	53	-	53	1,991
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Postage and delivery	3,105	-	-	-	-	-	-	3,105	1,023	-	1,023	4,128
Advertising and printing	3,818	7,595	-	-	-	-	-	11,413	6,249	-	6,249	17,662
Professional services	755	989	61	122	122	61	56	2,166	669	-	669	2,835
Program-DFA expense	505,087	-	2,063	-	-	-	-	507,150	-	-	-	507,150
Program expense	1,380	-	-	-	-	714	17,106	19,200	-	-	-	19,200
Repairs and maintenance	77,452	34,534	-	8,964	5,031	-	-	125,981	769	-	769	126,750
Supplies and equipment	39,310	27,889	2,360	15,586	6,950	591	-	92,686	9,115	-	9,115	101,801
Telephone and internet	21,508	4,967	54	308	54	264	217	27,372	300	-	300	27,672
Training and development	14,645	4,226	68	-	-	-	-	18,939	1,460	-	1,460	20,399
Travel and Transportation	1,246	355	-	-	722	816	-	3,139	224	-	224	3,363
Utilities	60,029	9,878	-	-	142	-	-	70,049	-	-	-	70,049
Total expenses	\$ 1,475,587	\$ 611,357	\$ 45,141	\$ 523,087	\$ 1,702,476	\$ 11,462	\$ 40,529	\$ 4,409,639	\$ 393,476	\$ 165,121	\$ 558,597	\$ 4,968,236
% of total	29.70%	12.31%	0.91%	10.53%	34.27%	0.23%	0.82%	88.76%	7.92%	3.32%	11.24%	100.00%

See accompanying notes to financial statements

OUTREACH UNITED RESOURCE CENTER, INC.  
Statements of Cash Flows  
For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 459,893	\$ 923,566
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	157,217	157,816
Changes in assets and liabilities		
Unconditional promises to give	36,886	(60,391)
Inventory	10,566	28,583
Other assets	(10,123)	(9,505)
Accounts payable	30,007	(14,101)
Accrued expenses	5,597	(4,886)
Net cash provided (used) by operating activities	<u>690,043</u>	<u>1,021,082</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(31,125)	(58,351)
Investments - Endowment	(2,339)	7,607
Net cash (used) by investing activities	<u>(33,464)</u>	<u>(50,744)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Restricted cash	18,626	6,502
Principal payments on long-term debt	-	(331,584)
Net cash (used) by financing activities	<u>18,626</u>	<u>(325,082)</u>
NET INCREASE (DECREASE) IN CASH	675,205	645,256
CASH-BEGINNING OF YEAR	3,187,282	2,542,026
CASH-END OF YEAR	<u>\$ 3,862,487</u>	<u>\$ 3,187,282</u>
Supplemental Cash Flow Information		
Cash paid during the year for interest	\$ -	\$ 5,151

See accompanying notes to financial statements

## SUPPLEMENTAL INFORMATION

OUTREACH UNITED RESOURCE CENTER, INC.

Schedule of Activities by Program

For the year ended June 30, 2023

	Other Programs	Aspen Center	Total
<b>SUPPORT AND REVENUE</b>			
In-kind donations	\$ 2,096,717	\$ -	\$ 2,096,717
Contributions	1,368,717	165,432	1,534,149
Grant revenue	1,713,012	174,119	1,887,131
Service fees and contracts	(4,816)	509,273	504,457
Special events, net of expenses of \$52,975	47,651	-	47,651
Capital contributions	-	-	20,073
Investment income	3,777	-	3,777
Other income	-	-	-
Total support and revenue	<u>5,225,058</u>	<u>848,824</u>	<u>6,093,955</u>
<b>EXPENSES</b>			
Salaries	894,662	475,567	1,370,229
Employee benefits	85,076	31,194	116,270
Payroll taxes	68,895	37,306	106,201
Total salaries and expenses	<u>1,048,633</u>	<u>544,067</u>	<u>1,592,700</u>
In-kind expenses			
Food	2,107,220	-	2,107,220
Clothing	-	-	-
Supplies	-	-	-
Bad debt	-	-	-
Contract and temporary labor	-	-	-
Depreciation	-	-	-
Direct marketing	398	179	577
Dues and subscriptions	12,376	190	12,566
Food	70,445	13,586	84,031
Insurance	27,117	6,207	33,324
Interest	-	-	-
Investment and bank fees	13,133	1,093	14,226
Licenses and permits	75	654	729
Miscellaneous	11,051	3,221	14,272
Postage and delivery	3,247	10	3,257
Printing and advertising	5,327	5,555	10,882
Professional fees	18,166	-	18,166
Program-DFA expense	604,265	-	604,265
Program expenses	49,426	-	49,426
Repairs and maintenance	106,921	35,731	142,652
Supplies and equipment	56,263	35,992	92,255
Telephone	9,981	3,773	13,754
Training and development	14,889	4,174	19,063
Travel and Transportation	2,991	269	3,260
Utilities	69,679	12,468	82,147
Total program expenses	<u>4,231,603</u>	<u>667,169</u>	<u>4,898,772</u>
Supporting Services			
Fundraising	164,144	-	164,144
General and administrative	571,146	-	571,146
Total supporting services expenses	<u>735,290</u>	<u>-</u>	<u>735,290</u>
Total expenses	<u>4,966,893</u>	<u>667,169</u>	<u>5,634,062</u>
<b>CHANGE IN NET ASSETS BY PROGRAM</b>	<u>\$ 258,165</u>	<u>\$ 181,655</u>	<u>\$ 459,893</u>

See accompanying notes to financial statements

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors:  
Outreach United Resource Center, Inc.  
Longmont, Colorado

We have audited the accompanying financial statements of Outreach United Resource Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Outreach United Resource Center, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Outreach United Resource Center, Inc. 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 opinions.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Outreach United Resource Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

MIDDLEMIST CROUCH & CO., CPAs, P.C.

Boulder, Colorado  
October 13, 2023



OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

**NOTE 1- ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Outreach United Resource Center, Inc. (the "Center") is a non-profit community service organization that provides assistance to families and individuals in the St. Vrain School District area who are in need of food, housing, childcare, and other basic living expenses.

The Center's major program activities are described below:

*Program Services:*

Basic Needs – To provide families and individuals with emergency or temporary basic needs assistance. After an intake interview, professional caseworkers and trained volunteers provide emergency food, transportation, utilities, minor medical prescriptions, referrals for emergency shelter, and homeless-prevention help, including rent and utility assistance. Although services in the Basic Needs Program are typically provided in times of crisis, agency staff work in partnership with families to help them regain self-sufficiency.

Child Care – The Aspen Center for Child Development offers excellent care and child development programs for children six weeks to six years old from families of all income levels.

Clothing Bank – The Clothing Bank provides good donated clothing, bed linens and kitchenware to those in need. Volunteers sort thousands of donated items each week, and local businesses generously donate new clothing. Items such as scout uniforms and sports equipment are set aside for low-income groups. The Clothing Bank assists over 276 families each month.

Hospitality Center – The Hospitality Center provides a free breakfast (weekdays) and hot lunch (7 days a week) for individuals and families who are going through difficult transitions and who need fellowship as well as food.

Adult Learning – The Family Resource Center provides classes, services, and programs including Financial Skills Classes, Nutrition Classes, Adult Education via Computer Lab, Parenting Support, Getting Ahead Classes, Self-Sufficiency Classes, and the Family Leadership Training Institute.

Soft Voices – The Soft Voices program creates a safe place for adults to focus on mental wellness, create community, empower themselves and express creativity through art.

*Supporting Services:*

General and Administrative – Includes functions necessary to administer the programs and other financial and corporate governing of the center.

Fundraising – To encourage and secure public and private financial support from individuals, foundations, corporations, and government agencies.

Basis of Presentation

The financial statements are prepared in accordance with the recommendations of the American Institute of Certified Public Accountants in its industry audit guide, Audits of Not-for-Profit Organizations. Accordingly, the financial statements are prepared on an accrual basis of accounting. The significant accounting policies followed are described below.

OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

NOTE 1- ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Financial Statement Presentation

The Center 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 – these net assets generally result from revenues generated by receiving donations that have no donor restrictions and investment income from operating investments, less expenses incurred in providing program related services and performing administrative functions.

Net Assets with Donor Restrictions – these net assets result from donations that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Cash and Cash Equivalents

For financial statement purposes, the Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates market value.

Contributions

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions upon which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. The Center determines an allowance for uncollectible accounts based upon management's judgment about such factors as prior collection history, type of contribution, and nature of fundraising activity. An allowance for doubtful accounts is determined based upon the review and analysis of each outstanding account. As of June 30, 2023 and 2022, the allowance for doubtful accounts was \$0 and \$0, respectively.

Contributions received are recorded as without donor restriction or with donor restriction support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets and reported in the Statement of Activities as net assets released from restrictions.

Inventory

The Center maintains an inventory of bulk food for distribution to clients. Food inventories are valued at cost if purchased and fair market value if donated. A price of \$ 1.92 and \$1.74 per pound was used to value food distributed to clients and inventory on hand at June 30, 2023 and 2022, respectively, which is equal to the value established by the U.S. Department of Agriculture.

OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

NOTE 1- ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Service Fee Revenue

Service fee revenues are primarily generated from providing services to private individuals or contract services to government agencies. Revenues are recorded when the service has been provided.

Income Taxes

No provision for taxes on earnings has been made in the financial statements as the Organization has qualified as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code.

The Organization recognizes the financial statement effects from a tax position only if it is more likely than not that the tax position will be sustained by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The assessment of the technical merits of a tax position is a matter of judgment. The Organization believes that all its tax positions are more likely than not to be sustained upon examination.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2019.

Advertising

Accounting Standards Executive Committee issued Statement of Position 93-7, *Reporting on Advertising Costs*. The statement requires direct response advertising to be capitalized when it can be shown that customers responded to a specific advertisement and there is probable future economic benefit. The Center does not currently use direct response advertising; hence, advertising costs are expensed when incurred.

During the years ended June 30, 2023 and 2022, the Center incurred \$15,751 and \$17,662, respectively, in advertising expenses.

In-Kind Donations

In-kind donations received by the Center include donated materials, supplies, property and equipment, and services. In-kind donations are recorded as follows:

Materials, and Supplies – Donated materials, and supplies are recorded at the estimated fair values on the date of donation.

Property and Equipment – Donations of property and equipment are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Services – Donated services are recognized if the services received either create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

NOTE 1- ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

In-Kind Donations-continued

Additionally, volunteers have donated significant amounts of time to the Center in various capacities. However, these services have not been reflected in the financial statements since they neither require specialized skills nor would they have typically been purchased had they not been donated. The value of these services is not readily determinable.

Expense Allocation

The Center allocates its expenses on a functional basis among its various programs including general and administrative supporting services. Expenses and support services that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs are allocated based on square footage.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at cost or fair value if donated. The Center capitalizes purchases greater than \$5,000. Depreciation expense totaled \$157,217 and \$157,816 for the years ended June 30, 2022 and 2021, respectively. Depreciation is computed using the straight-line method with estimated useful lives as follows:

<u>Property</u>	<u>Years</u>
Land, building and improvements	15-31
Furniture, fixtures and equipment	5-7

Management assesses the carrying value of long-lived assets for impairment when circumstances indicate such amounts may not be recoverable from future operations. Generally, assets to be held and used in operations are considered impaired if the sum of the expected discounted future cash flows is less than the carrying amount of the asset. If impairment is indicated, the loss is measured based on the amount by which the carrying value exceeds its fair value. Management does not believe that any impairment has occurred as of June 30, 2023 or 2022.

New Accounting Pronouncement

The Organization adopted Accounting Standards Update (ASU) No. 2020-07, *Presentation and disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

**NOTE 2- FAIR VALUE MEASUREMENTS**

FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value and applies to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis. Accordingly, the Organization classifies its investments according to the following fair value hierarchy:

- Level 1 - Securities traded in an active market for which quoted market prices are observable. This level includes mutual funds.
- Level 2 – Securities not traded in an active market, but for which observable market inputs are readily available or Level 1 securities where there is a contractual restriction.
- Level 3 – Securities not traded in an active market and for which no significant observable market inputs are available.

The following tables present the assets measured at fair value on a recurring basis as of June 30 and are categorized using the three levels of fair value hierarchy:

As of June 30, 2022:	Level 1	Level 2	Level 3
Current assets; Mutual Funds	\$ 49,435	-	-

  

As of June 30, 2023:	Level 1	Level 2	Level 3
Current assets; Mutual Funds	\$ 47,096	-	-

**NOTE 3- LINES OF CREDIT**

The Center obtained a line of credit in the amount of \$1,000,000 with FirstBank. Interest rate is variable at the Wall Street Journal U.S. prime rate, currently 8.25%, on the outstanding balance and is payable monthly. The interest rate increased to 8.50% on July 27, 2023. The line of credit is securitized by a second deed of trust on the OUR Center Building located at 220 Collyer Street, Longmont, Co 80504. The principal and remaining interest is due at maturity on June 14, 2025. As of June 30, 2023 and 2022, the outstanding balance was \$0.

OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

**NOTE 4-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Center strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

The following table reflects the Center's financial assets as of June 30, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations.

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and cash equivalents	\$3,862,488	\$3,187,282
Promises to give	<u>282,073</u>	<u>318,959</u>
Total Financial Assets	4,144,561	3,506,241
Less those unavailable for general expenditure within one year due to:		
Donor restricted	(808,745)	(809,868)
Board designated for operating reserves	(579,877)	(800,174)
Board designated for capital expenditures	<u>(650,000)</u>	<u>(450,918)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,105,939</u>	<u>\$1,445,281</u>

**NOTE 5- UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give are recognized as revenue in the period received. Promises to give are recorded at net realizable value and are expected to be collected in one year. In addition, no allowance was considered necessary by management as, historically, the funds are utilized in the specified award year or an extension of the award can be obtained.

**NOTE 6- RETIREMENT PLAN**

The Center's Board of Directors adopted a retirement plan effective January 1, 2000, covering substantially all employees under Section 403(b) of the Internal Revenue Code. The Center elected to make contributions of \$9,958 and \$10,668, respectively for the years ended June 30, 2023 and 2022.

**NOTE 7- NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following:

	<u>2023</u>	<u>2022</u>
Unconditional promises to give	\$ 282,073	\$ 318,959
Program restriction	<u>526,672</u>	<u>490,909</u>
Total	<u>\$ 808,745</u>	<u>\$ 809,868</u>



OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

**NOTE 8- BOARD DESIGNATED RESERVES**

The Board of Directors has instructed Management to set aside cash reserves for operating and capital expenditures. The designated cash reserves have been placed in a conservative, highly liquid money market accounts.

	<u>2023</u>	<u>2022</u>
Operating reserves	\$ 1,372,086	\$ 800,174
Capital reserves	<u>973,727</u>	<u>450,918</u>
Total	<u>\$ 2,345,813</u>	<u>\$ 1,251,092</u>

**NOTE 9- CONTRIBUTED SERVICES**

At June 30, 2023 and 2022, contributed services for general and administrative expenses were \$0 and \$0 respectively.

**NOTE 10- IN-KIND DONATIONS**

The Center received in-kind donations as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Food	\$ 2,096,653	\$ 1,925,357
Supplies	64	-
Total	<u>\$ 2,096,717</u>	<u>\$ 1,925,357</u>

The in-kind donations are offset by like amounts included in program services expenses for food, clothing and supplies.

**NOTE 11- RESTRICTED CASH**

At June 30, 2023 and 2022, the Center had restricted cash in the amount of \$7,895 and \$26,521, respectively. The City of Longmont requires the Center to have a separate bank account for the automatic deposits made in to the account by the City of Longmont. The account is used to help clients in need of utility services.

**NOTE 12- CONCENTRATIONS AND CONTINGENCIES**

Revenue and Support – The Center receives a substantial amount of its total revenues and other support from various governmental agencies. A significant reduction in the level of such support may have an adverse affect on the Center's programs and activities.

The Center has received 5 grants from Boulder County's Worthy Cause Funds for purchase, renovations and capital improvements of its facilities as follows:

2006	\$ 45,000
2010	35,000
2011	665,000
2015	350,000
2017	<u>175,000</u>
	<u>\$1,270,000</u>

OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

NOTE 12- CONCENTRATIONS AND CONTINGENCIES-continued

Each grant is a Principal Grant which means the amount disbursed to the Center does not appreciate with the real estate and the amount remains static for 99 years. The agreements require liens on the Center's real estate that expire between 2105 and 2116. The agreements also require the repayment of the entire amount if the property is sold or is no longer used for its exempt purpose. Management has no plans to sell this real estate or to stop using it for the exempt purpose, therefore, there is no liability recorded for these liens.

NOTE 13- INVENTORY

Inventory consists of donated bulk food. An inventory observation was made for the years ended June 30, 2023 and 2022. Inventory on hand included \$74,974 and \$85,540 of donated food and personal care items for the years ended June 30, 2023 and 2022.

NOTE 14 – COMPENSATED ABSENCES

Employees of the Center are entitled to paid time off including vacation and sick leave depending on length of service and other factors. At June 30, 2023 and 2022, the values of accumulated compensated absences are estimated at \$48,782 and \$42,822, respectively.

NOTE 15-CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended June 30, 2023:

	Balance 6/30/22	Increases	Decreases	Balance 6/30/23
Land	\$ 216,594	\$ -	\$ -	\$ 216,594
Other capital assets:				
Buildings	5,632,571	-	-	5,632,571
Machinery and equipment	26,124	58,592	-	84,716
Improvements	206,793	9,954	-	216,747
Work in progress	54,057	16,635	(54,057)	16,635
Total	6,136,139	85,181	(54,057)	6,167,263
Accumulated depreciation	(1,515,277)	(157,217)	-	(1,672,494)
Net book value	<u>\$ 4,620,862</u>	<u>\$ (72,036)</u>	<u>\$ (54,057)</u>	<u>\$ 4,494,769</u>

OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

**NOTE 15-CAPITAL ASSETS AND DEPRECIATION-continued**

Capital assets activity for the year ended June 30, 2022:

	Balance 6/30/21	Increases	Decreases	Balance 6/30/22
Land	\$ 216,594	\$ -	\$ -	\$ 216,594
Other capital assets:				
Buildings	5,632,571	-	-	5,632,571
Machinery and equipment	53,261	6,395	(33,533)	26,124
Improvements	221,316	15,780	(30,303)	206,793
Playground in progress	-	54,058	-	54,058
Total	6,123,742	76,233	(63,836)	6,136,140
			-	
Accumulated depreciation	(1,403,415)	(157,816)	45,594	(1,515,278)
Net book value	<u>\$ 4,720,327</u>	<u>\$ (81,583)</u>	<u>\$ (18,242)</u>	<u>\$ 4,620,862</u>

**NOTE 16- CONCENTRATIONS OF CREDIT RISK**

Financial instruments which potentially expose the Center to concentrations of credit risk consist primarily of cash and cash equivalents. The Center maintains their cash and cash equivalents in commercial banks that, at times, may exceed federally insured limits. However, the Center's cash accounts have been placed with high credit quality financial institutions, and they have not experienced, nor do they anticipate, any losses with respect to such accounts. At June 30, 2023 and 2022, the Center's uninsured cash balance totaled approximately \$1,401,272 and \$1,713,526.

**NOTE 17- OPERATING LEASE**

On October 4, 2011, the Center signed a lease agreement with the First Evangelical Lutheran Church to lease an individual apartment in the amount of \$350 per month. The agreement began October 1, 2012, and has been extended annually. The current extension expires on July 31, 2024.

**NOTE 18- ENDOWMENT FUNDS**

The Center's endowment consists of net assets with donor restrictions. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Center's management has interpreted the State of Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets with donor restriction the original value of gifts donated to the endowment. The remaining portion of donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

NOTE 18- ENDOWMENT FUNDS-continued

In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Center and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Center
7. Investment policies of the Center

As of June 30, 2023, the endowment fund consisted of net assets with donor restrictions of \$49,435, which are classified as Level 1 using fair value measurements.

Changes in endowment net asset for the year ended June 30, were:

	<u>2023</u>	<u>2022</u>
Endowment net assets, beginning of year	\$ 47,096	\$ 54,703
Withdrawal	-	-
Investment Return	<u>2,339</u>	<u>(7,607)</u>
Endowment net assets, end of year	<u>\$ 49,435</u>	<u>\$ 47,096</u>

The Center's Investment Committee is authorized to engage the services of investment managers who possess the necessary specialized research facilities and skills to meet the investment objectives of the asset categories in the Endowment Fund. The Committee requires that any investment manager be duly registered under the Investment Advisor's Act of 1940 as amended.

The Committee requires investment managers to adhere to the "prudent investor rule" under such federal or state laws as now apply or may apply in the future, apply to the investment of any assets subject to their control. Fixed income and equity investment permissibility should generally be governed by the Prudent Investor Rule. Interest from the Endowment will be re-invested until an Endowment Committee decided amount is accumulated, after which the interest can be distributed to the Center. Principal amounts can be used for:

- Capital building or improvement needs of the Center
- Loans to the Center with a pre-set repayment schedule
- For any other purposed voted by  $\frac{3}{4}$  of the Center Board and a Majority of the Endowment Committee.

The Longmont Community Foundation Agency Endowment Fund. The Center is the beneficiary of an Agency Endowment Fund held by the Longmont Community Foundation (the Foundation). The third-party donors have granted the Foundation variance power and, accordingly, these funds are not recorded on the Center's financial statements. Each year, the Foundation can transfer up to 7% of the market value of the fund to the Center if the Center requests it. At which time the Center records grant revenue for the amount of the transfer. Transfers of \$3,598 and \$0 were made in 2023 and 2022, respectively. As of June 30, 2023 and 2022, the fair market value of these funds was \$74,446 and \$72,318, respectively.

OUTREACH UNITED RESOURCE CENTER, INC.  
Notes to Financial Statements  
June 30, 2023 and 2022

---

NOTE 19- NOTES PAYABLE

On May 25, 2017, the Center obtained a mortgage for its facility at 220 Collyer Street in Longmont, Colorado. Interest at 3.75%. Monthly payments of \$5,332 began on July 7, 2017, with a balloon payment of all principal and interest due on February 7, 2022. The Center made additional principal payments of \$497,813 during the year ended June 30, 2021 and refinanced the mortgage on April 7, 2021. The new mortgage was with FirstBank. The principal amount of the mortgage was \$340,132, interest at 3%, maturity date April 10, 2027, monthly payments of \$5,175.91 began on May 10, 2021.

The Center made additional principal payments during the year ended June 30, 2022 and paid the mortgage in full. Loan balance as of June 30, 2022 was \$0.

NOTE 20- SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 13, 2023, which was the date the financial statements were available to be issued.