OUTREACH UNITED RESOURCE CENTER, INC.
FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021

OUTREACH UNITED RESOURCE CENTER, INC.

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JUNE 30, 2022 and 2021

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 20, 2022 and 2021, 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, 2022 and 2021, 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 of 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 Local Theater Company'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 & Company, CPA's PC

Boulder, Colorado
September 13, 2022

FINANCIAL STATEMENTS

OUTREACH UNITED RESOURCE CENTER, INC.
Statements of Financial Position
JUNE 30, 2022 and 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 3,187,282	$ 2,542,026
Unconditional promises to give, with donor restriction	318,959	258,568
Inventory	85,540	114,123
Other assets	39,623	30,118
Total Current Assets	3,631,404	2,944,835
PROPERTY AND EQUIPMENT		
Land, building and improvements	6,110,015	6,070,481
Furniture, fixtures and equipment	26,124	53,261
Total property and equipment	6,136,139	6,123,742
Less: Accumulated depreciation	(1,515,277)	(1,403,415)
Total Property & Equipment	4,620,862	4,720,327
OTHER ASSETS		
Investments - Endowment	47,096	54,703
Restricted Cash for COPE program	26,521	33,023
Total Other Assets	73,617	87,726
TOTAL ASSETS	$ 8,325,883	$ 7,752,888

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Accounts payable	$ 21,947	$ 36,048
Accrued expenses	45,270	50,156
Current portion of long-term debt	-	52,888
Total Current Liabilities	67,217	139,092
LONG-TERM LIABILITIES		
Note payable	-	278,696
Total long-term liabilities	-	278,696
NET ASSETS		
Without donor restriction	7,448,798	6,774,385
With donor restriction	809,868	560,715
Total Net Assets	8,258,666	7,335,100
TOTAL LIABILITIES AND NET ASSETS	$ 8,325,883	$ 7,752,888

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, 2022 and 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE						
In-kind donations	$ 1,925,357	$ -	$ 1,925,357	$ 2,267,421	$ -	$ 2,267,421
Contributions	1,328,378	427,533	1,755,911	1,659,522	-	1,659,522
Grant revenue	1,676,795	-	1,676,795	2,478,336	198,756	2,677,092
Service fees and contracts	509,273	-	509,273	438,607	-	438,607
Special events, net of expenses of $1,853 and $1,257	33,491		33,491	43,836		43,836
Investment income	(2,853)	-	(2,853)	6,521	-	6,521
Other income	11,710	-	11,710	4,259	-	4,259
Loss on disposal of assets	(17,882)		(17,882)			
Net assets released from restriction	178,380	(178,380)	-	229,422	(229,422)	-
Total support and revenue	5,642,649	249,153	5,891,802	7,127,924	(30,666)	7,097,258
EXPENSES						
Program services						
Basic Needs	1,475,587	-	1,475,587	1,847,237	-	1,847,237
Child Care	611,357	-	611,357	508,655	-	508,655
Community Closet	45,141	-	45,141	42,605	-	42,605
Community Market	1,702,476	-	1,702,476	1,159,682	-	1,159,682
Hospitality Center	523,087	-	523,087	1,348,608	-	1,348,608
Soft Voices	11,462	-	11,462	7,500		7,500
Adult Learning	40,529		40,529	36,156		36,156
Fundraising	165,121	-	165,121	143,244	-	143,244
General and administrative	393,476	-	393,476	525,473	-	525,473
Total expenses and losses	4,968,236	-	4,968,236	5,619,160	-	5,619,160
CHANGE IN NET ASSETS BEFORE PPP LOAN FORGIVENESS	674,413	249,153	923,566	1,508,764	(30,666)	1,478,098
PPP Loan forgiveness	-		-	283,300	-	283,300
CHANGE IN NET ASSETS	674,413	249,153	923,566	1,792,064	(30,666)	1,761,398
NET ASSETS--BEGINNING OF YEAR	6,774,385	560,715	7,335,100	4,982,321	591,381	5,573,702
NET ASSETS--END OF YEAR	$ 7,448,798	$ 809,868	$ 8,258,666	$ 6,774,385	$ 560,715	$ 7,335,100

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			
	Basic Needs	Child Care	Community Closet	Community Café	Community Market	Soft Voices	Adult Learning	Total	General & Admin	Fundraising	Total	2021 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.
Statement of Functional Expenses
For the year ended June 30, 2021

	Program Services								Supporting Services			
	Basic Needs	Child Care	Community Closet	Community Café	Community Market	Soft Voices	Adult Learning	Total	General & Admin	Fundraising	Total	2021 Total
Salaries	$ 438,858	$ 334,976	$ 28,780	$ 67,294	$ 51,987	$ 5,178	$ 24,770	$ 951,843	$ 155,807	$ 106,049	$ 261,856	$ 1,213,699
Employee benefits	35,304	30,596	5,431	6,467	7,020	61	4,219	89,098	17,716	9,413	27,129	116,227
Payroll taxes	32,878	25,288	2,058	4,964	3,917	396	1,790	71,291	37,590	7,941	45,531	116,822
Total salaries and expenses	507,040	390,860	36,269	78,725	62,924	5,635	30,779	1,112,232	211,113	123,403	334,516	1,446,748
In-kind expenses												
Food	-	-	-	1,223,648	1,047,625	-	-	2,271,273	-	-	-	2,271,273
Supplies	-	2,779	-	-	-	-	-	2,779	-	-	-	2,779
Bad debt	-	426	-	-	-	-	-	426	-	-	-	426
Contract and temporary labor	-	-	-	-	-	-	-	-	55,392	-	55,392	55,392
Depreciation	-	23,565	-	-	-	-	-	23,565	133,991	-	133,991	157,556
Direct marketing	3,668	245	-	826	110	-	-	4,849	-	19,841	19,841	24,690
Dues and subscriptions	1,464	245	-	200	-	-	-	1,909	2,040	-	2,040	3,949
Food	-	6,968	-	17,194	23,183	-	-	47,345	-	-	-	47,345
Insurance	14,018	5,747	966	2,352	5,572	258	856	29,769	67,159	-	67,159	96,928
Interest expense	-	-	-	-	-	-	-	-	25,583	-	25,583	25,583
Investment expense/bank fees	11,663	1,307	3	1,693	2,143	-	-	16,809	9,574	-	9,574	26,383
Licenses and permits	474	1,053					-	1,527	10		10	1,537
Miscellaneous	-	793	-	-	-	-	-	793	-	-	-	793
Postage and delivery	3,748	-	-	-	14	-	-	3,762	1,789	-	1,789	5,551
Advertising and printing	1,167	410	41	-	290	-	-	1,908	5,577	-	5,577	7,485
Professional services	10	-	-	-	-	-	-	10	1,050	-	1,050	1,060
Program-DFA expense	1,134,078	-	2,938	-	-	-	-	1,137,016	-	-	-	1,137,016
Program expense	3,300	-	-	-	-	154	3,549	7,003	-	-	-	7,003
Repairs and maintenance	64,278	35,933	-	2,893	7,490	-	-	110,594	1,555	-	1,555	112,149
Supplies and equipment	24,952	19,048	2,388	20,116	9,900	1,453	762	78,619	9,605	-	9,605	88,224
Telephone and internet	9,786	3,773	-	991	3	-	210	14,763	-	-	-	14,763
Training and development	10,984	5,889	-	-	147	-	-	17,020	771	-	771	17,791
Travel and Transportation	569	120	-	(30)	281	-	-	940	264	-	264	1,204
Utilities	56,038	9,494	-	-	-	-	-	65,532	-	-	-	65,532
Total expenses	$ 1,847,237	$ 508,655	$ 42,605	$ 1,348,608	$ 1,159,682	$ 7,500	$ 36,156	$ 4,950,443	$ 525,473	$ 143,244	$ 668,717	$ 5,619,160
% of total	32.87%	9.05%	0.76%	24.00%	20.64%	0.13%	0.64%	88.10%	9.35%	2.55%	11.90%	100.00%

See accompanying notes to financial statements

OUTREACH UNITED RESOURCE CENTER, INC.
Statements of Cash Flows
For the years ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 923,566	$ 1,761,398
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	157,816	157,556
Forgiveness of PPP Loan	-	(283,300)
Changes in assets and liabilities		
Unconditional promises to give	(60,391)	1,536
Pledges receivable	-	-
Inventory	28,583	6,633
Other assets	(9,505)	15,621
Accounts payable	(14,101)	4,117
Accrued expenses	(4,886)	5,082
Net cash provided (used) by operating activities	1,021,082	1,668,643
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(58,351)	(37,930)
Investments - Endowment	7,607	(6,329)
Net cash (used) by investing activities	(50,744)	(44,259)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Restricted cash	6,502	(2,391)
Proceeds from PPP loan	-	-
Principal payments on long-term debt	(331,584)	(526,298)
Net cash (used) by financing activities	(325,082)	(528,689)
NET INCREASE (DECREASE) IN CASH	645,256	1,095,695
CASH-BEGINNING OF YEAR	2,542,026	1,446,331
CASH-END OF YEAR	$ 3,187,282	$ 2,542,026

	2022	2021
Supplemental Cash Flow Information		
Cash paid during the year for interest	$ 5,151	$ 25,583

See accompanying notes to financial statements

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.

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, 2022 and 2021, 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 $ 1.74 and $1.74 per pound was used to value food distributed to clients and inventory on hand at June 30, 2022 and 2021, respectively, which is equal to the value established by the U.S. Department of Agriculture.

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 2018.

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, 2022 and 2021, the Center incurred $17,662 and $7,485, 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.

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 $157,816 and $157,556 for the years ended June 30, 2022 and 2021, respectively. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Property	Years
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, 2022 or 2021.

New Accounting Pronouncement

The Organization adopted Accounting Standards Update (ASU) No. 2020-07, *Presentation and disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assts.* 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.

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	$ 47,096	-	-

As of June 30, 2021:	Level 1	Level 2	Level 3
Current assets;			
Mutual Funds	$ 54,703	-	-

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 4.0%, on the outstanding balance and is payable monthly. 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, 2022 and 2021, the outstanding balance was $0.

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, 2022 and 2021, 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.

	2022	2021
Financial Assets:		
Cash and cash equivalents	$3,187,282	$2,542,026
Promises to give	318,959	258,568
Total Financial Assets	3,506,241	2,800,594
Less those unavailable for general expenditure within one year due to:		
Donor restricted	(809,868)	(560,715)
Board designated for operating reserves	(800,174)	(800,034)
Board designated for capital expenditures	(450,918)	(200,878)
Financial assets available to meet cash needs for general expenditures within one year	$1,445,281	$1,238,967

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 $10,668 and $9,006, respectively for the years ended June 30, 2022 and 2021.

NOTE 7- NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

	2022	2021
Unconditional promises to give	$ 318,959	$ 258,568
Program restriction	490,909	302,147
Total	$ 809,868	$ 560,715

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.

	2022	2021
Operating reserves	$ 800,174	$ 800,034
Capital reserves	450,918	200,878
Total	$ 1,251,092	$ 1,000,912

NOTE 9- CONTRIBUTED SERVICES

At June 30, 2022 and 2021, 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:

	2022	2021
Food	$ 1,925,357	$ 2,264,642
Supplies	-	2,779
Total	$ 1,925,357	$ 2,267,421

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, 2022 and 2021, the Center had restricted cash in the amount of $26,521 and $33,023, 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	175,000
	$1,270,000

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, 2022 and 2021. Inventory on hand included $85,540 and $114,123 of donated food and personal care items for the years ended June 30, 2022 and 2021.

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, 2022 and 2021, the values of accumulated compensated absences are estimated at $42,822 and $48,620, respectively.

NOTE 15-CAPITAL ASSETS AND DEPRECIATION

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	$ 4,720,327	$ (81,583)	$ (18,242)	$ 4,620,862

NOTE 15-CAPITAL ASSETS AND DEPRECIATION-continued

Capital assets activity for the year ended June 30, 2021:

	Balance 6/30/20	Increases	Decreases	Balance 6/30/21
Land	$ 216,594	$ -	$ -	$ 216,594
Other capital assets:				
Buildings	5,632,571	-	-	5,632,571
Machinery and equipment	53,261	-	-	53,261
Improvements	183,386	37,930	-	221,316
Total	6,085,812	-	-	6,123,742
Accumulated depreciation	(1,245,858)	(157,557)	-	(1,403,415)
Net book value	$ 4,839,954	$ (119,627)	$ -	$ 4,720,327

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, 2022 and 2021, the Center's uninsured cash balance totaled approximately $1,713,526 and $1,889,500.

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 expires on July 31, 2022. A lease renewal is currently in negotiation.

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.

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, 2022, the endowment fund consisted of net assets with donor restrictions of $54,703, which are classified as Level 1 using fair value measurements.

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

	2022	2021
Endowment net assets, beginning of year	$ 54,03	$ 48,374
Withdrawal	-	-
Investment Return	(7,607)	6,329
Endowment net assets, end of year	$ 47,096	$ 54,703

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 ¾ 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. No transfers were made in 2022 or 2021. As of June 30, 2022 and 2021, the fair market value of these funds was $72,318 and $82,571, respectively.

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- PAYCHECK PROTECTION PROGRAM

On April 15, 2020, the Center received loan proceeds in the amount of $283,300 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The Center received forgiveness of its PPP loan in March of 2021.

NOTE 21- SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 12, 2022, which was the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

OUTREACH UNITED RESOURCE CENTER, INC.
Schedule of Activities by Program
For the year ended June 30, 2022

	Other Programs	Aspen Center		Total
SUPPORT AND REVENUE				
In-kind donations	$ 1,925,357	$ -		$ 1,925,357
Contributions	1,590,479	165,432		1,755,911
Grant revenue	1,502,676	174,119		1,676,795
Service fees and contracts	-	509,273		509,273
Special events, net of expenses of $52,975	33,491	-		33,491
Capital contributions	-	-		(2,853)
Investment income	11,710	-		11,710
Other income	(17,882)	-		(17,882)
Total support and revenue	5,045,831	848,824		5,891,802
EXPENSES				
Salaries	777,809	436,536		1,214,345
Employee benefits	93,324	20,653		113,977
Payroll taxes	57,284	33,154		90,438
Total salaries and expenses	928,417	490,343		1,418,760
In-kind expenses				
Food	1,953,938	-		1,953,938
Clothing	-	-		-
Supplies	-	-		-
Bad debt		-		-
Contract and temporary labor	24,307	-		24,307
Depreciation	-	23,672		23,672
Direct marketing	-	-		-
Dues and subscriptions	4,031	189		4,220
Food	63,594	-		63,594
Insurance	23,463	4,726		28,189
Interest	-	-		-
Investment and bank fees	8,701	1,120		9,821
Licenses and permits	1,064	874		1,938
Miscellaneous	-	-		-
Postage and delivery	3,105	-		3,105
Printing and advertising	3,818	7,595		11,413
Professional fees	1,177	989		2,166
Program-DFA expense	507,150	-		507,150
Program expenses	19,200	-		19,200
Repairs and maintenance	91,447	34,534		125,981
Supplies and equipment	64,797	27,889		92,686
Telephone	22,405	4,967		27,372
Training and development	14,713	4,226		18,939
Travel and Transportation	2,784	355		3,139
Utilities	60,171	9,878		70,049
Total program expenses	3,798,282	611,357		4,409,639
Supporting Services				
Fundraising	165,121	-		165,121
General and administrative	393,476	-		393,476
Total supporting services expenses	558,597	-		558,597
Total expenses	4,356,879	611,357	-	4,968,236
CHANGE IN NET ASSETS BY PROGRAM	$ 688,952	$ 237,467	-	$ 923,566