

# CROSSROADS URBAN CENTER



FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

*For the Years Ended December 31, 2023 and 2022*



# CROSSROADS URBAN CENTER

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## Independent Auditor's Report

### **To the Board of Directors Crossroads Urban Center**

#### **Opinion**

We have audited the accompanying financial statements of **Crossroads Urban Center** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, 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 **Crossroads Urban Center** as of December 31, 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 **Crossroads Urban Center** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Crossroads Urban Center'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Crossroads Urban Center'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 **Crossroads Urban Center'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.

*Larsen & Company P.C.*

Salt Lake City, Utah  
July 14, 2024

## CROSSROADS URBAN CENTER

Statements of Financial Position  
As of December 31, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 931,876	\$ 971,495
Accounts and grants receivable	1,861	49,462
Food inventories	36,764	31,766
Prepaid expenses and deposits	27,527	21,267
<b>Total current assets</b>	<b>998,028</b>	1,073,990
<b>Investments</b>	<b>1,884,048</b>	1,559,096
<b>Property and equipment, net</b>	<b>317,517</b>	252,379
<b>Total assets</b>	<b>\$ 3,199,593</b>	<b>\$ 2,885,465</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 3,744	\$ 8,018
Accrued liabilities	104,126	95,810
<b>Total current liabilities</b>	<b>107,870</b>	103,828
<b>Total liabilities</b>	<b>107,870</b>	103,828
<b>Net assets:</b>		
Without donor restrictions		
Board designated	1,976,289	1,633,756
Undesignated	1,071,793	1,123,381
<b>Total net assets without donor restrictions</b>	<b>3,048,082</b>	2,757,137
With donor restrictions	43,641	24,500
<b>Total net assets</b>	<b>3,091,723</b>	2,781,637
<b>Total liabilities and net assets</b>	<b>\$ 3,199,593</b>	<b>\$ 2,885,465</b>

The accompanying notes to the financial statements  
are an integral part of these financial statements.

## CROSSROADS URBAN CENTER

Statement of Activities  
For the Year Ended December 31, 2023

	2023		
	Without donor restrictions	With donor restrictions	Totals
<b>Support, revenues and gains:</b>			
Contributions and grants	\$ 1,095,701	\$ 90,500	\$ 1,186,201
Donated food, rent and other	1,494,831	-	1,494,831
Special events (net of direct benefits to donors: <b>\$3,747</b> )	6,528	-	6,528
Thrift store sales	45,615	-	45,615
Investment return (loss)	224,953	-	224,953
Other income	47,735	-	47,735
<b>Total support, revenues and gains</b>	<b>2,915,363</b>	<b>90,500</b>	<b>3,005,863</b>
Satisfaction of restrictions	71,359	(71,359)	-
<b>Total support, revenues, gains and satisfaction of restrictions</b>	<b>2,986,722</b>	<b>19,141</b>	<b>3,005,863</b>
<b>Expenses:</b>			
Food pantry and outreach	2,477,985	-	2,477,985
Management and general	116,547	-	116,547
Fundraising	101,245	-	101,245
<b>Total expenses</b>	<b>2,695,777</b>	<b>-</b>	<b>2,695,777</b>
<b>Change in net assets</b>	<b>290,945</b>	<b>19,141</b>	<b>310,086</b>
Net assets at beginning of year	2,757,137	24,500	2,781,637
<b>Net assets at end of year</b>	<b>\$ 3,048,082</b>	<b>\$ 43,641</b>	<b>\$ 3,091,723</b>

The accompanying notes to the financial statements are an integral part of these financial statements.

## CROSSROADS URBAN CENTER

Statement of Activities  
For the Year Ended December 31, 2022

	2022		
	Without donor restrictions	With donor restrictions	Totals
<b>Support, revenues and gains:</b>			
Contributions and grants	\$ 1,135,424	\$ 24,500	\$ 1,159,924
Donated food, rent and other	1,194,800	-	1,194,800
Thrift store sales	35,767	-	35,767
Investment return (loss)	(236,708)	-	(236,708)
Other income	28,205	-	28,205
<b>Total support, revenues and gains</b>	<b>2,157,488</b>	<b>24,500</b>	<b>2,181,988</b>
Satisfaction of restrictions	37,999	(37,999)	-
<b>Total support, revenues, gains and satisfaction of restrictions</b>	<b>2,195,487</b>	<b>(13,499)</b>	<b>2,181,988</b>
<b>Expenses:</b>			
Food pantry and outreach	2,109,364	-	2,109,364
Management and general	94,665	-	94,665
Fundraising	99,135	-	99,135
<b>Total expenses</b>	<b>2,303,164</b>	<b>-</b>	<b>2,303,164</b>
<b>Change in net assets</b>	<b>(107,677)</b>	<b>(13,499)</b>	<b>(121,176)</b>
Net assets at beginning of year	2,864,814	37,999	2,902,813
<b>Net assets at end of year</b>	<b>\$ 2,757,137</b>	<b>\$ 24,500</b>	<b>\$ 2,781,637</b>

The accompanying notes to the financial statements are an integral part of these financial statements.

## CROSSROADS URBAN CENTER

Statement of Functional Expenses  
For the Year Ended December 31, 2023

	Food pantry and outreach	Management and general	Fundraising	Total
Officer's compensation	\$ 50,317	\$ 15,592	\$ 15,591	\$ 81,500
Other salaries and wages	513,593	51,703	18,042	583,338
Food distributions	1,371,388	11	5	1,371,404
Health insurance	76,973	10,488	4,905	92,366
Supplies	93,741	1,340	34,008	129,089
Donated rent	89,631	18,870	9,434	117,935
Rent	21,460	400	200	22,060
Emergency assistance	88,234	-	-	88,234
Payroll taxes	53,181	5,812	2,858	61,851
Depreciation	22,648	2,665	1,332	26,645
Professional fees	13,743	1,933	905	16,581
Program support	6,053	1,364	4,044	11,461
Other benefits	12,307	2,265	966	15,538
Utilities	18,448	1,300	649	20,397
Repairs and maintenance	16,353	590	294	17,237
Telephone	4,068	498	249	4,815
Bank and credit card charges	-	62	7,650	7,712
Vehicle expenses	5,445	-	-	5,445
Postage	1,324	126	63	1,513
Rubbish	6,281	84	169	6,534
Insurance	5,025	439	220	5,684
Water	2,739	201	100	3,040
Event expenses	-	-	3,111	3,111
Other	5,033	804	197	6,034
<b>Total Expenses</b>	<b>2,477,985</b>	<b>116,547</b>	<b>104,992</b>	<b>2,699,524</b>
<b>Less expenses included with revenue</b>	<b>-</b>	<b>-</b>	<b>(3,747)</b>	<b>(3,747)</b>
<b>Total functional expenses statement of activities</b>	<b>\$ 2,477,985</b>	<b>\$ 116,547</b>	<b>\$ 101,245</b>	<b>\$ 2,695,777</b>

The accompanying notes to the financial statements are an integral part of these financial statements.



## CROSSROADS URBAN CENTER

Statement of Functional Expenses  
For the Year Ended December 31, 2022

	<u>Food pantry and outreach</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Officer's compensation	\$ 46,925	\$ 14,531	\$ 14,531	\$ 75,987
Other salaries and wages	437,940	23,221	48,533	509,694
Food distributions	1,132,135	-	-	1,132,135
Health insurance	66,762	5,780	9,636	82,178
Supplies	120,289	30,224	1,053	151,566
Donated rent	49,800	3,600	6,600	60,000
Rent	25,560	800	1,200	27,560
Emergency assistance	89,662	-	-	89,662
Payroll taxes	44,844	3,450	5,382	53,676
Depreciation	18,612	1,345	2,467	22,424
Professional fees	11,768	926	1,859	14,553
Program support	5,376	989	1,738	8,103
Other benefits	11,942	1,336	2,209	15,487
Utilities	16,345	798	1,262	18,405
Repairs and maintenance	11,700	460	831	12,991
Telephone	4,079	285	428	4,792
Bank and credit card charges	-	6,244	56	6,300
Vehicle expenses	3,534	-	-	3,534
Postage	1,123	81	149	1,353
Rubbish	4,164	284	426	4,874
Insurance	3,499	164	351	4,014
Water	1,820	94	141	2,055
Other	1,485	53	283	1,821
<b>Total Expenses</b>	<u>2,109,364</u>	<u>94,665</u>	<u>99,135</u>	<u>2,303,164</u>
<b>Less expenses included with revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total functional expenses statement of activities</b>	<u>\$ 2,109,364</u>	<u>\$ 94,665</u>	<u>\$ 99,135</u>	<u>\$ 2,303,164</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

**CROSSROADS URBAN CENTER**  
 Statements of Cash Flows  
 For the Years Ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 310,086	\$ (121,176)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	26,645	22,424
Net realized and unrealized (gain) loss	(173,395)	271,129
Decrease (increase) in operating assets:		
Accounts and grants receivable	47,601	(25,579)
Food inventories	(4,998)	27,269
Prepaid expenses and deposits	(6,260)	(759)
Increase (decrease) in operating liabilities:		
Accounts payable	(4,274)	4,532
Accrued liabilities	8,316	3,381
<b>Cash flows from operating activities</b>	<b>203,721</b>	<b>181,221</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(151,557)	(159,114)
Additions to property and equipment	(91,783)	(64,423)
<b>Cash flows from investing activities</b>	<b>(243,340)</b>	<b>(223,537)</b>
<b>Net increase (decrease) in cash</b>	<b>(39,619)</b>	<b>(42,316)</b>
Cash and cash equivalents at beginning of year	971,495	1,013,811
<b>Cash and cash equivalents at end of year</b>	<b>\$ 931,876</b>	<b>\$ 971,495</b>

**Supplemental Disclosures:**

No interest or taxes were paid for the years ending December 31, 2023 and 2022.

The accompanying notes to the financial statements are an integral part of these financial statements.

**CROSSROADS URBAN CENTER**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Crossroads Urban Center (the "Organization") was founded in 1966 under the auspices of United Methodist Women and received the designation as a 501(c)(3) in 1973. The Organization services low income, disabled, and minority populations of Utah by providing food, clothing, and household items. The Organization also organizes and manages community groups that address affordable housing and other social issues.

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis in accordance with ASU-2016-14, Not-for-Profit Entities (Topic 958); *Presentation of Financial Statements for Not-for-Profit Entities*. The standard requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions** - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Cash and Cash Equivalents**

For purposes of the financial statements, the Organization considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

**Accounts and Grants Receivable and Promises to Give**

Accounts and grants receivable and promises to give are recorded at their estimated fair value less an appropriate allowance for uncollectible amounts. Allowances reflects an estimate of the amount of receivables that will be unable to be collected based on historical experience, management's analysis of specific balances, and as applicable, current conditions and reasonable and supportable forecasts that affect collectability. Management considers all its accounts to be fully collectible and has not recorded an allowance as of December 31, 2023 and 2022. Promises to give due later than one year are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using imputed interest rates applicable to the years in which promises are received. Discounts on promises to give that are measured at present value are amortized between the date the promise to give is initially recognized and the date the cash or other contributed assets are received.

**Food Inventories**

Inventories consist primarily of food and are valued at the lower of cost or market. Cost is determined on the first-in first-out method. Donated food was valued at \$2.20 per pound for 2023 and 2022.

**Property and Equipment, net**

Acquisitions of property and equipment in excess of \$500 and all expenditures for repairs and maintenance that materially prolong the useful lives of property and equipment are capitalized. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Property and equipment are stated at cost less accumulated depreciation and amortization, or if acquired by donation, at estimated fair value at the date of the donation.

**CROSSROADS URBAN CENTER**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment, net (Continued)**

Depreciation and amortization are computed over the following estimated useful lives using the straight-line method.

<u>Assets</u>	<u>Useful life</u>
Leasehold improvements	3-20 years
Buildings	45 years
Equipment	5-10 years
Vehicles	5 years

**Long-lived Assets**

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators were present for the years ended December 31, 2023 and 2022.

**Investments**

Investments consist of publicly traded marketable equity securities carried at fair value based on quoted market prices. Realized and unrealized gains and losses are included as investment return or loss in the statement of activities. Investments are initially recorded at their acquisition cost if purchased and at estimated fair value on the date of donation if they were received as a contribution. Subsequent to acquisition, all debt and equity securities are valued and reported at their readily determinable fair market values.

**Board Designated Endowment**

The endowment includes board designated funds of **\$1,884,048** and \$1,559,096 as of December 31, 2023 and 2022, respectively. The Organization may make additional contributions to the principal portion of the endowment. The Organization has adopted investment and spending policies approved by the Board of Directors for the board designated endowment assets that attempts to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the corpus of the endowment assets over the long-term.

The investment policy establishes an achievable return objective through diversification of assets. Actual returns vary year to year from projected returns. To satisfy long-term rate-of-return objectives the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on equity-based investments to achieve long-term return objectives within prudent risk parameters.

**CROSSROADS URBAN CENTER**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions and In-Kind Donations and Support**

Contributions are recognized when the donor makes a promise to give that is unconditional and are considered to be available for unrestricted use unless restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as satisfactions of restrictions.

Donations of property and equipment and goods and services are recorded as support at their estimated fair market value at the date of gift. These donations are reported as unrestricted support unless the donor has restricted the donation for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as donor restricted support and reclassified to unrestricted net assets without donor restrictions when placed in service.

The Organization's administrative offices and food pantry are rented free of charge from a religious organization. Donated rent and related expenses of **\$117,935** and \$60,000 were recognized for the years ended December 31, 2023 and 2022. A significant amount of food is donated for the Organization's pantry operations. The food is valued at \$2.20 per pound and donations were approximately **\$1,371,404** and \$1,132,135 for the years ended December 31, 2023 and 2022, respectively. The Organization received other in-kind contributions for services, securities, and other miscellaneous items that totaled **\$2,381** and \$2,665 for the years ended December 31, 2023, and 2022, respectively. The Organization also receives contributions of clothing and personal items for which it is impractical to determine a value. These items are given away or sold in the Thrift Store operations of the Organization.

**Revenues**

A small portion of the Organization's budget comes from thrift store sales. The only performance obligation associated with this income is delivering the products purchased. Any payments received from customers are recognized when the transaction occurs. Income from thrift store sales is shown on the statement of activities.

**Functional Allocation of Expenses**

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Income Taxes**

No provision for income taxes has been provided in the financial statements as the Organization is exempt under Section 501(c) (3) of the Internal Revenue Code and has an active favorable determination letter from the Internal Revenue Service. The Organization has evaluated tax positions and believes it does not have and, accordingly, has not recorded, a liability for any uncertain tax positions.

The Organization's federal income tax returns generally remain subject to examinations by the Internal Revenue Service for a period of three years.

**CROSSROADS URBAN CENTER**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of Accounting Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the 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. Actual results could differ from those estimates.

**Recent Accounting Pronouncements**

In June of 2016, the FASB issued Accounting Standards Update 2016-13, Financial Instruments – Credit Losses, which requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. In November 2019, FASB issued ASU 2019-10 which effective defers the date of implementation for this guidance. This requirement eliminates the probable initial recognition threshold in current GAAP which has delayed recognition of credit losses until the loss was probable. Instead, the new treatment will better reflect an entity's current estimate of all expected credit losses. In addition, the new guidance requires that any credit losses on available-for-sale debt securities to be presented as an allowance rather than as a write-down. Initial allowance for credit losses is added to the purchase price rather than reported as a credit loss expense. Subsequent changes in the allowance for credit losses are recorded in credit loss expense. This will allow entities to also record reversals of credit losses in current period net income, whereas the current GAAP prohibits reflecting these improvements in current period earnings. This guidance is effective for fiscal years beginning after December 15, 2022. The Organization adopted this new guidance as of January 1, 2023. The adoption of this guidance did not have any material impact to the Organization's financial statements as a whole.

**2. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 931,876	971,495
Accounts and grants receivable	1,861	49,462
<b>Total current financial assets</b>	<b>933,737</b>	1,020,957
Less amounts restricted by donors	<u>(43,641)</u>	<u>(24,500)</u>
<b>Total current financial assets available for general expenditure</b>	<b><u>\$ 890,096</u></b>	<b><u>\$ 996,457</u></b>

**CROSSROADS URBAN CENTER**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**3. INVESTMENTS**

Unrealized gains and losses are included as investment return in the statement of activities. Total investment income, gains and losses for the years ended December 31 are as follows:

	<u>2023</u>	<u>2022</u>
<b>Investment return, unrestricted</b>		
Interest and dividends	\$ 51,558	\$ 34,421
Net realized and unrealized gain (loss)	<u>173,395</u>	<u>(271,129)</u>
<b>Total investment return (loss), unrestricted</b>	<u>\$ 224,953</u>	<u>\$ (236,708)</u>

The fair values of the financial instruments shown in the following table represent the amounts that would be received to sell those assets in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset at the measurement date, the fair value measurement reflects the Organization's judgments about the assumptions that market participants would use in pricing the asset. Those judgments are based on the best information available including expected cash flows, and appropriately risk-adjusted interest rates, and available observable and unobservable inputs. Financial assets and financial liabilities recorded in the balance sheet at fair value are categorized based on the reliability of inputs to the valuation techniques as follows:

**Level 1** – Financial assets and financial liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Organization can access. Examples include prices derived from NYSE, NASDAQ, Chicago Board of Trade, and Pink Sheets.

**Level 2** – Financial assets and financial liabilities whose values are based on (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in non-active markets, or (c) valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability. Examples include Matrix pricing, market corroborated pricing, and inputs such as yield curves and indices.

**Level 3** – Financial assets and financial liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect the Organization's estimates of the assumptions that market participants would use in valuing the financial asset and financial liabilities. Examples include Investment Manager Pricing for Price Placements, Private Equities, Hedge Funds, etc.

Fair values for assets measured on a recurring basis are as follows:

	<u>Fair Value Measurements at Reporting Date Using:</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>December 31, 2023</b>				
Mutual funds	<u>\$ 1,884,048</u>	<u>\$ 1,884,048</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total investments</b>	<u>\$ 1,884,048</u>	<u>\$ 1,884,048</u>	<u>\$ -</u>	<u>\$ -</u>
<b>December 31, 2022</b>				
Mutual funds	<u>\$ 1,559,096</u>	<u>\$ 1,559,096</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total investments</b>	<u>\$ 1,559,096</u>	<u>\$ 1,559,096</u>	<u>\$ -</u>	<u>\$ -</u>

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**4. CONTRIBUTIONS OF NONFINANCIAL ASSETS**

For the years ended December 31, 2023 and 2022, contributions of nonfinancial assets recognized within the statement of activities consisted of the following:

	<u>2023</u>	<u>2022</u>	<u>Utilization in Programs or Other Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Food	<b>\$ 1,371,404</b>	1,132,135	Distributed free to people in need at two pantry locations and at holiday events.	None	Food is valued at the estimated fair value based on current rates for similar products.
Rent	<b>117,935</b>	60,000	The use of the main building at 347 South 400 East is donated rent free. The downtown food pantry and other offices are located here.	None	Contributed facilities are valued using rent rates for space of similar size and quality.
Stock	<b>5,363</b>	11,078	Stock gifts are added to the Endowment funds unless otherwise specified by the donor.	None	Valuation is based on market value at the time of donation
Services	<b>2,381</b>	2,665	Provided to the agency by local vendors, such as trash pick-up and plumbing.		Contributed services are valued at the estimated fair value based on current rates for similar services
Events	<b>3,111</b>	-	Donations of goods and services to support fundraising events.	None	Contributed goods and services are valued at the estimated fair value based on current rates for similar goods and services.
Total	<b><u>\$ 1,500,194</u></b>	<b><u>\$1,205,878</u></b>			

**5. PROPERTY AND EQUIPMENT, NET**

Property and equipment consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
<b>Cost</b>		
Land	<b>\$ 26,700</b>	\$ 26,700
Buildings and improvements	<b>504,527</b>	484,074
Equipment	<b>81,881</b>	72,291
Vehicles	<b>69,114</b>	28,371
<b>Total cost of property and equipment</b>	<b>682,222</b>	611,436
Accumulated depreciation and amortization	<b>(364,705)</b>	(359,057)
<b>Net property and equipment</b>	<b><u>\$ 317,517</u></b>	<b><u>\$ 252,379</u></b>

The Organization incurred depreciation and amortization expense of **\$26,645** and \$22,424 for the years ended December 31, 2023 and 2022, respectively.



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**6. NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED**

As of December 31, net assets without donor restrictions have been designated by the board as follows:

	<u>2023</u>	<u>2022</u>
Holiday food fund	\$ 1,412	\$ 2,440
347 Bldg Reserve	63,881	33,324
Thrift store reserve fund	16,367	16,378
Children's shoe fund	6,573	14,376
Infant supplies	4,008	8,142
Board designated endowment	<u>1,884,048</u>	<u>1,559,096</u>
Total board designated net assets	<u>\$ 1,976,289</u>	<u>\$ 1,633,756</u>

**Board Designated Endowment**

Changes in endowment funds are as follows:

	<u>2023</u>	<u>2022</u>
Endowment net assets January 1,	\$ 1,559,096	\$ 1,671,111
Investment income (loss)	224,952	(237,015)
Contributions	<u>100,000</u>	<u>125,000</u>
Endowment net assets December 31,	<u>\$ 1,884,048</u>	<u>\$ 1,559,096</u>

**7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Call Foundation	\$ 26,140	\$ -
Facilities improvement program	<u>17,501</u>	<u>24,500</u>
Total net assets with donor restrictions	<u>\$ 43,641</u>	<u>\$ 24,500</u>

**8. BENEFIT PLAN**

The Organization sponsors a simple IRA contribution plan for all eligible employees. Participants are required to contribute a minimum of 2% of compensation and the Organization matches up to 3% of compensation. All participants are fully vested in the plan. Total contributions to the plan by the Organization for the years ended December 31, 2023 and 2022 were **\$13,210** and \$12,667, respectively.

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**9. CONCENTRATION OF CREDIT RISK**

The Organization maintains funds at multiple financial institutions. Accounts at these institutions are federally insured by Federal Deposit Insurance Corporation or National Credit Union Association up to \$250,000. The Organization has not experienced any loss in these accounts. As of December 31, 2023 and 2022, there were not any cash balances which exceeded these limits. The Organization believes it is not exposed to any significant credit risk on its cash balances.

The Organization maintains an account with a brokerage firm. The account contains cash and investments. The balances are insured by the Securities Investors Protection Corporation up to \$500,000 with a \$250,000 limit for cash claims. Due to the level of risk associated with investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

**10. RELATED PARTY TRANSACTIONS**

The Organization leases a property located at 347 South 400 East from Crossroads Legacy Committee a 501(c)(3), which shares some common board members. Crossroads Legacy Committee assumed ownership of the property in January 2023, which was previously owned by United Women in Faith, and leased it to the Organization. Rent expense as of December 31, 2023 and 2022 was **\$2,500** and \$8,000.

**11. SUBSEQUENT EVENTS**

Subsequent events have been evaluated by management through the date of this report, which is the date that the report was available for issuance. No events have occurred subsequent to December 31, 2023, which would have a material effect on the financial condition of the Company.