



**PROJECT SELF-SUFFICIENCY
OF NORTHERN COLORADO**

FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for the Year Ended December 31, 2022)

**PROJECT SELF-SUFFICIENCY
OF NORTHERN COLORADO**

TABLE OF CONTENTS

PRESIDENT'S LETTER (Other Information)	i
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 21



Dear Project Self-Sufficiency Stakeholder,

As we close out the financial results from operations for 2023, please allow us to highlight noteworthy items and key accomplishments:

- We were able to increase staff wages and salaries to attract and retain talent in this competitive market.
- We added nearly \$74,000 in additional transportation and housing support to help stabilize participants in these two crucial areas.
- We completed the transition to advisor specialist roles in the implementation of our Selfpower Model, allowing us to bring more expertise and depth of service to our participants.
- In 2022, we incurred temporary investment losses of over \$320,000, which also resulted in a significant decrease in our net assets for 2022. In 2023, we saw a recovery of a significant portion of those losses.
- As we have increased our budget year over year, we have also increased the percentage of expenses going toward our programming to align with our commitment to growing the support we provide to our families.
- We formalized our outreach in Weld County and are on track for significant progress in building partnerships and recruiting more participants living in Weld County in 2024.
- In 2024, we are working from our new location at 1810 Boise Avenue, a welcoming space that better accommodates our entire team and the important work we continue to do. Along with the new space has come a significant increase in our monthly occupancy expense. To provide some ramp-up time for our fundraising, our Board of Directors has designated a portion of our net assets for future building-related expenses, which you will see in this financial report.

We are beyond grateful for what you have helped us accomplish in 2023. Please know that we invite a conversation with you about our work and our priorities at any time.

Our best,

Tracy Mead
Chief Executive Officer

Carol Barnes
President, Board of Directors

Bring the power of education to single parents.



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Project Self-Sufficiency of Northern Colorado
Loveland, Colorado

Opinion

We have audited the accompanying financial statements of Project Self-Sufficiency of Northern Colorado (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Self-Sufficiency of Northern Colorado as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Project Self-Sufficiency of Northern Colorado and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 Project Self-Sufficiency of Northern Colorado's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, as promulgated by the Auditing Standards Board, a division of the American Institute of Certified Public Accountants (AICPA), 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 Project Self-Sufficiency of Northern Colorado'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 Project Self-Sufficiency of Northern Colorado'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.

Report on Summarized Comparative Information

We have previously audited Project Self-Sufficiency of Northern Colorado's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 1, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

The President's Letter is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and relates to the underlying accounting and other records used to prepare the financial statements. The President's Letter has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



Fort Collins, Colorado
July 18, 2024

PROJECT SELF SUFFICIENCY OF NORTHERN COLORADO

STATEMENT OF FINANCIAL POSITION

As of December 31, 2023

(With Comparative Totals as of December 31, 2022)

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 394,800	\$ 563,831
Cash and cash equivalents - Operating Reserve Tier 1	89,286	89,197
Beneficial interest in investments held at the Community Foundation of Northern Colorado - Operating Reserve Tier 3 (Note 2)	455,217	416,539
Accounts receivable	56,974	42,258
Prepaid expenses	19,977	10,378
Total current assets	<u>1,016,254</u>	<u>1,122,203</u>
Noncurrent Assets		
Right-of-use assets, net (Note 5)	706,524	22,651
Investments (Note 3)	640,511	618,308
Beneficial interest in investments held at the Women's Foundation of Colorado (Note 2)	113,774	100,047
Beneficial interest in investments held at the Community Foundation of Northern Colorado (Note 2)	1,877,280	1,662,814
Total noncurrent assets	<u>3,338,089</u>	<u>2,403,820</u>
Total assets	<u>\$ 4,354,343</u>	<u>\$ 3,526,023</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 58,558	\$ 22,166
Accrued salaries and related expenses	82,227	66,285
Operating lease liability, current portion (Note 5)	26,808	16,597
Total current liabilities	<u>167,593</u>	<u>105,048</u>
Noncurrent Liabilities		
Operating lease liability, less current portion (Note 5)	687,909	4,554
Total noncurrent liabilities	<u>687,909</u>	<u>4,554</u>
Total liabilities	<u>855,502</u>	<u>109,602</u>
NET ASSETS		
Net assets without donor restrictions		
Undesignated	384,966	857,874
Board designated - housing pilot project	75,675	96,310
Board designated - operating reserves Tiers 1 and 3	544,503	505,736
Board designated - quasi-endowments (Note 2)	1,439,898	1,274,361
Board designated - building related expenses	364,651	-
Net assets with donor restrictions		
Restricted for purpose (Note 7)	478,304	471,296
Restricted in perpetuity - endowment corpus (Note 7)	210,844	210,844
Total net assets	<u>3,498,841</u>	<u>3,416,421</u>
Total liabilities and net assets	<u>\$ 4,354,343</u>	<u>\$ 3,526,023</u>

See accompanying notes to financial statements

PROJECT SELF SUFFICIENCY OF NORTHERN COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Public Support				
Fundraising and contributions	\$ 710,008	\$ 153,689	\$ 863,697	\$ 891,895
United Way	41,724	20,000	61,724	65,576
Value of cars provided to families	-	21,607	21,607	16,659
In-kind donations	41,828	2,983	44,811	39,147
Grants	292,537	181,250	473,787	503,141
Net assets released from restrictions	494,470	(494,470)	-	-
Total public support	1,580,567	(114,941)	1,465,626	1,516,418
Special Event Revenue				
Special event revenue	149,008	8,801	157,809	112,091
Less direct benefit to donors	(89,204)	-	(89,204)	(65,917)
Total special event revenue	59,804	8,801	68,605	46,174
Other Revenue				
Interest income	72,310	-	72,310	42,143
Realized and unrealized gain (loss) on investments	119,781	113,148	232,929	(322,589)
Gain on sale of assets	-	-	-	79,214
Total other revenue	192,091	113,148	305,239	(201,232)
Total revenue, support, and gains	1,832,462	7,008	1,839,470	1,361,360
Expenses				
Program services	1,498,128	-	1,498,128	1,295,634
Management and general	139,900	-	139,900	163,743
Fundraising	119,022	-	119,022	160,419
Total expenses	1,757,050	-	1,757,050	1,619,796
Change in Net Assets	75,412	7,008	82,420	(258,436)
Net Assets, Beginning of Year	2,734,281	682,140	3,416,421	3,674,857
Net Assets, End of Year	\$ 2,809,693	\$ 689,148	\$ 3,498,841	\$ 3,416,421

See accompanying notes to financial statements

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	Program Services	Management and General	Fundraising	2023 Total	2022 Total
Salaries and benefits	\$ 691,224	\$ 104,386	\$ 74,873	\$ 870,483	\$ 838,067
Payroll taxes	50,050	12,363	6,343	68,756	54,780
Contract services	38,530	10,896	6,076	55,502	67,328
Depreciation	-	-	-	-	5,005
Insurance	7,505	755	482	8,742	8,938
Marketing	734	364	134	1,232	-
Occupancy	32,083	6,158	3,932	42,173	49,801
Office expenses	12,165	1,740	20,444	34,349	42,794
Other expenses	386	1,102	43	1,531	-
Program direct expenses for participants/families	656,196	-	-	656,196	539,606
Program evaluation	825	-	-	825	-
Recognition activities - staff, volunteers, and donors	6,864	1,719	6,549	15,132	10,633
Travel	1,566	417	146	2,129	2,844
Total Expenses	\$ 1,498,128	\$ 139,900	\$ 119,022	\$ 1,757,050	\$ 1,619,796

See accompanying notes to financial statements

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 82,420	\$ (258,436)
Adjustments to reconcile change in net assets to net cash (used) by operating activities:		
Depreciation expense	-	5,005
Amortization of right-of-use assets (Note 5)	20,950	17,915
Unrealized (gain) loss on investments	(89)	3,732
Gain on sale of property and equipment	-	(79,214)
Change in value of beneficial interest in investments	(282,043)	278,797
Changes in assets and liabilities:		
(Increase) in accounts receivable	(14,716)	(12,170)
(Increase) in prepaid expenses	(9,599)	(7,300)
Increase in accrued salaries and related expenses	15,942	18,528
Increase (decrease) in accounts payable	36,392	(10,863)
(Decrease) in lease liability (Note 5)	(11,257)	(19,415)
Net cash (used) by operating activities	<u>(162,000)</u>	<u>(63,421)</u>
Cash Flows from Investing Activities		
Proceeds from sale of property and equipment	-	380,000
Reinvestment of interest and dividends	(22,114)	(490)
Transfers to beneficial interest in investments	(58,735)	(407,704)
Transfers to investments	-	(600,000)
Distributions from beneficial interest in investments	73,907	39,916
Net cash provided (used) by investing activities	<u>(6,942)</u>	<u>(588,278)</u>
Net Change in Cash and Cash Equivalents	(168,942)	(651,699)
Cash and Cash Equivalents, Beginning of Year	653,028	1,304,727
Cash and Cash Equivalents, End of Year	<u>\$ 484,086</u>	<u>\$ 653,028</u>
Supplemental Disclosure of Non-Cash Operating Activities:		
Donation of vehicles, materials and services - operating activities	\$ 66,418	\$ 55,806
Right-of-use assets acquired in exchange for operating lease liability (Note 5)	\$ 704,823	\$ -

See accompanying notes to financial statements

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 1. Principal Activity and Significant Accounting Policies

Nature of Activities

Project Self-Sufficiency of Northern Colorado (the "Organization") evolved from a HUD demonstration project in 1985 with the goal of coordinating and expanding services for low-income, single-parent families. Launched through a countywide task force, members pledged various resources, including staff and housing. The one-year pilot proved successful and continued as a program of Loveland Housing Authority, enrolling 65 families in the first year. In 1992, the program became its own independent nonprofit. Over time and through a growing body of research, the Organization determined that one of the most promising pathways out of poverty and homelessness includes access to higher education and employment training with wraparound support services. Today, the Organization serves approximately 126 families each year by providing professional case management and barrier removal supports, education, career planning and employment coaching to assist participants in accessing post-secondary education and training that leads to living wage employment.

The Organization's goal is to create a pathway out of poverty that is sustained for generations; the Organization's work has a multi-generational impact. Georgetown University (2016) found that, on average, college graduates earn \$1,000,000 more over their lifetime than those without a degree. The National Institute of Health reports that the education level of a parent is a significant predictor of a child's educational achievements and behavioral outcomes. The U.S. National Center for Education Statistics (2016) shows that children of college-educated parents are much more likely to pursue and complete an undergraduate degree than are those with parents that did not attend college. The Organization's program graduates share stories of their children instilled with the confidence and skills necessary to find success, both in college and career.

The mission of the Organization is to assist low-income, single parents in their efforts to achieve economic independence and become free from community and government assistance while building and maintaining strong, healthy families.

During the year ended December 31, 2023, the Organization legally changed its name from Project Self-Sufficiency of Loveland – Fort Collins to Project Self-Sufficiency of Northern Colorado.

New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments-Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments, which requires organizations to use a new impairment model: the current expected credit loss (CECL) model.

The model applies to financial instruments that are not measured at fair value. An organization must record an allowance for credit losses, which is a valuation account that should be deducted from, or added to, the financial asset to present the net amount expected to be collected. The valuation account should include expected recoveries of amounts previously written off and expected to be written off. However, expected recoveries cannot exceed the aggregate of amounts previously written off and expected to be written off.

The amendments have been applied retrospectively to all periods presented. There is no effect on the Organization's previously reported net assets.

Basis of Presentation

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

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 1. Principal Activity and Significant Accounting Policies (continued)

Basis of Presentation (continued)

- Net Assets Without Donor Restrictions—Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
- Net Assets With Donor Restrictions—Net assets whose use is limited by donor-imposed time and/or purpose restrictions or restricted in perpetuity. The Organization had \$689,148 and \$682,140 of net assets with donor restrictions at December 31, 2023 and 2022, respectively.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limit or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts.

Operating Reserves

The Organization has an operating reserve policy to address their fiduciary duties and objectives when considering investment decisions. The Organization and its Board of Directors have identified three Tiers of operating reserves that are reported as board designated net assets on the statement of financial position:

- Tier 1 – one month of typical operating expenses will be kept in an FDIC insurance interest bearing bank account. This Tier receives first priority in funding if the balance is less than one month of typical operating expenses.
- Tier 2 – a second month of operating expenses will be kept in a brokerage or mutual fund account to be invested in interest bearing or short to intermediate bonds or bond funds. The Organization has opted to not segregate a Tier 2 reserve for the year ended December 31, 2023.
- Tier 3 – any excess reserves over the prescribed two months will be moved to higher earnings investments managed at the Community Foundation of Northern Colorado (the Community Foundation).

Fair Value

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 1. Principal Activity and Significant Accounting Policies (continued)

Fair Value (continued)

A three-tier hierarchy categorizes the inputs as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 - Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk or liquidity profile of the asset or liability.

Contributions and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Organization reports gifts of goods as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions Receivable

Unconditional contributions that are pledged, but not received, prior to year-end are recorded as contributions receivable at year-end. All contributions receivable are recorded as current income, however, if restrictions are attached to the funds to be received, they will be reported as restricted net assets in the statement of financial position. All contributions receivable are considered by management to be fully collectible, and no allowance for current expected credit losses has been accrued.

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 1. Principal Activity and Significant Accounting Policies (continued)

In-Kind Donations

The Organization's policy related to in-kind donations is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services are recorded using Level 3 inputs of the fair value hierarchy. Volunteer services are not recorded in the financial statements as these contributions do not meet the requirements to be recorded as revenue and expense.

In-kind donations and value of cars provided to families consisted of the following during the year ended December 31:

	2023	2022
Contract services	\$ -	\$ 1,494
Direct benefit to donors	325	1,503
Program direct expenses for participants/families	66,093	52,809
	<u>\$ 66,418</u>	<u>\$ 55,806</u>

Special Events

The Organization records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. All goods and services are transferred at a point in time.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation, using inputs of the fair value hierarchy. Thereafter, investments are reported at their fair value in the statement of financial position. Net investment gain/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements. The fair value of investments in securities is based on the last reported sales price at December 31, 2023 and 2022, using Level 1 inputs of the fair value hierarchy.

Beneficial Interest in Investments held at the Community Foundation – Endowment and Quasi Endowment

The Organization's quasi endowment implements the Board of Directors' decision to convert previously spendable assets to a beneficial interest in invested assets held by the Community Foundation that will produce long-term spendable income. Quasi endowments may be established with legally available, non-appropriated financial resources of the Organization that are either unrestricted as to their use, or under compatible restrictions, and in situations where the principal of the endowment is designated by the Board of Directors to not be expended. Changes to the quasi endowment, or expenditure of the principal of the quasi endowment, require the approval of the Board of Directors. This quasi endowment is held in an Endowment Fund by the Community Foundation in a commingled Fund with donor restricted endowments. Those donor restricted endowments will be held into perpetuity, as defined by the donor, and earnings on the investment may be used at the Organization's discretion.

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 1. Principal Activity and Significant Accounting Policies (continued)

Beneficial Interest in Investments held at the Community Foundation – Endowment and Quasi Endowment (continued)

Distributions from the quasi endowed portion of the fund are designated to be made available to the Organization at an annual rate established by the Community Foundation. The agreement states that the fund is not a separate trust, and that all assets of the fund are assets of the Community Foundation. The agreement also provides that the fund shall continue for as long as the Organization continues as a public charity, with the intent to make distributions to the Organization in accordance with the Organization’s designations.

As the Organization has specified itself as the beneficiary of the fund and the transfer is not an equity transaction, the Organization has accounted for the fund as an asset in accordance with ASC 958-605-25-33, *Transfers that Are Not Contributions Because They Are Revocable, Repayable, or Reciprocal*. The quasi endowment fund is presented as beneficial interest in investments held by the Community Foundation of Northern Colorado on the Organization’s statement of financial position.

Through the Community Foundation, the Organization invests in a managed portfolio that contains common stocks and bonds of publicly traded companies, U.S. Government obligations, mutual funds and money market funds. Investments are exposed to various risks such as interest rate, credit and overall market volatility.

Beneficial Interest in Investments – Operating Reserve Tier 3

The Organization has established an operating reserve policy to govern the financial assets obligated to the operating reserve. The Organization has established a cash account with limited investment earning potential to hold a balance equal to one month of operating expenses. The Organization has further established a second account with the Community Foundation to hold a balance equal to five additional months of operating expenses. The intention of the Organization is to have six months of reserves for challenging circumstances such as economic downturns, changes in legislation, and other factors that would affect the Organization’s ability to continue to meet the needs of single-parent families in Larimer County.

Beneficial Interest in Investments held at the Women’s Foundation of Colorado – Quasi Endowment

The Organization’s quasi endowment implements the Board of Directors’ decision to convert previously spendable assets to a beneficial interest in invested assets held by the Women’s Foundation of Colorado that will produce long-term spendable income. Quasi endowments may be established with legally available, non-appropriated financial resources of the Organization that are either unrestricted as to their use, or under compatible restrictions, and in situations where the principal of the endowment is designated by the Board of Directors to not be expended. Changes to the quasi endowment, or expenditure of the principal of the quasi endowment, require the approval of the Board of Directors. This quasi endowment is held in an Agency Fund by the Women’s Foundation of Colorado in a commingled fund.

Distributions from the quasi endowment fund are designated to be made available to the Organization at an annual rate established by the Women’s Foundation of Colorado. The agreement states that the fund is not a separate trust, and that all assets of the fund are assets of the Women’s Foundation of Colorado.

As the Organization has specified itself as the beneficiary of the fund and the transfer is not an equity transaction, the Organization has accounted for the fund as an asset in accordance with ASC 958-605-25-33, *Transfers that Are Not Contributions Because They Are Revocable, Repayable, or Reciprocal*. The quasi endowment fund is presented as beneficial interest in investments held by the Women’s Foundation of Colorado on the Organization’s statement of financial position.

Investments are exposed to various risks such as interest rate, credit and overall market volatility.

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 1. Principal Activity and Significant Accounting Policies (continued)

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost, or if donated, at fair value on the date of donation using the Level 3 inputs of the fair value hierarchy. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from five to thirty-nine years.

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment for the years ended December 31, 2023 and 2022.

Lease Accounting

The Organization determines whether to account for its leases as operating or financing leases depending on the underlying terms of the lease agreement. This determination of classification is complex and requires significant judgment relating to certain information including the estimated fair value and remaining economic life of the leased asset, the Organization's cost of funds, minimum lease payments and other lease terms. The Organization records the value of the right-of-use asset at the present value of future lease payments, discounted at the Organization's estimated risk-free rate, and any direct costs related to the lease. Total lease payments are recognized on a straight-line basis over the term of the lease. The related lease liability is recorded at the present value of any unpaid lease payments.

The Organization elected to apply practical expedients to carry forward the original lease determinations, leases classifications and accounting of initial direct costs for all asset classes at the time of adoptions. The Organization also elected not to separate lease components from non-lease components and to exclude short-term leases from its statement of financial position.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs including fundraising activities and support services by estimating the relative attention and effort exerted towards specific functional areas. The allocated expenses include compensation, occupancy, and certain other expenses. Other expenses and support services that can be identified with a specific function are allocated directly according to their natural expenditure classification.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2023 and 2022 was \$6,070 and \$285, respectively.

Income Taxes

The Organization is a nonprofit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made in these financial statements for income taxes.

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 1. Principal Activity and Significant Accounting Policies (continued)

Income Taxes (continued)

The Organization adopted the recognition requirements for uncertainty in income taxes as required by ASC 740-10-50. The standard prescribes a comprehensive model for how an organization should recognize, measure, present and disclose in the financial statements uncertainty in income taxes. The Organization's income tax filings are subject to audit by various taxing authorities.

In evaluating the Organization's tax provisions and accruals, interpretations and tax planning strategies are considered. The Organization believes their estimates are appropriate based on current facts and circumstances and have not recorded any reserves, or related accruals for interest and penalties for uncertainty in income taxes at December 31, 2023 and 2022.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Subsequent Events

The Organization has evaluated subsequent events through July 18, 2024, the date the financial statements were available to be issued.

Note 2. Beneficial Interest in Investments Held at the Community Foundation of Northern Colorado and the Women's Foundation of Colorado

The fair values of beneficial interests in charitable and perpetual trusts are determined by management using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets, and are based on the fair values of trust investments as reported by the trustees. The fair value of the Organization's beneficial interest in investments held by the Community Foundation and the Women's Foundation of Colorado (the Foundations) are based on the fair value of fund investments as reported by the Foundations and are considered to be Level 3 measurements determined by assuming a hypothetical transaction at the measurement date.

In 2006, the Uniform Law Commission approved the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"), which governs the investment and management of donor-restricted endowment funds by not-for-profit organizations. In 2008, the state of Colorado enacted UPMIFA, which provides for net asset classification of donor-restricted endowment funds that are subject to UPMIFA as well as additional disclosure requirements for both donor-restricted and Board-designated endowments.

Under this guidance, the portion of an endowment that is perpetual in nature shall be disclosed as net assets with donor restrictions held in perpetuity. The remaining portion of accumulations to donor-restricted endowment funds that is not disclosed as net assets with donor restrictions held in perpetuity is disclosed as dictated by the donor or, in absence of donor stipulation, as net assets with donor restrictions for time/purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 2. Beneficial Interest in Investments Held at the Community Foundation of Northern Colorado and the Women's Foundation of Colorado (continued)

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

- 1) The duration and preservation of the fund.
- 2) The purposes of the Organization and the donor-restricted endowment fund.
- 3) General economic conditions.
- 4) The possible effect of inflation/deflation.
- 5) The expected total return from income and the appreciation of investments.
- 6) Other resources of the Organization.
- 7) The investment policies of the Organization.
- 8) The expected total return from income and the appreciation of investments.
- 9) Other resources of the Organization.
- 10) The investment policies of the Organization.

Women's Foundation of Colorado

During the year ended December 31, 2022, the Organization established a quasi-endowment fund with the Women's Foundation of Colorado. As disclosed in Note 1, the Organization has named itself as the beneficiary and has appropriately accounted for the fund as an asset in accordance with ASC 958-605-25-33, *Transfers that Are Not Contributions Because They Are Revocable, Repayable, or Reciprocal*.

The following are changes in the fund for each of the years ended December 31:

	2023	2022
Balance, January 1	\$ 100,047	\$ -
Transfers in	-	105,000
Investment income (loss)	13,727	(4,953)
Balance, December 31	<u>\$ 113,774</u>	<u>\$ 100,047</u>

The fair value of beneficial interest in investments as of December 31, 2023 and 2022 was determined using Level 3 inputs of the fair value hierarchy.

The fair value of Level 3 beneficial interest in investments held by the Women's Foundation of Colorado is determined by assuming a hypothetical transaction at the measurement date, as there is currently no market in which beneficial interests are traded and no observable exit price exists for a beneficial interest. The Organization has determined the fair value of the beneficial interest by using the fair value of the assets contributed to the fund, adjusted by the changes in fair value and distribution of the assets held in the fund, as reported to the Organization by the Women's Foundation of Colorado.

Community Foundation of Northern Colorado

The following are changes in the funds for each of the years ended December 31:

	2023	2022
Balance, January 1	\$ 2,079,353	\$ 2,090,409
Gifts received	58,735	302,704
Withdrawals	(73,907)	(39,916)
Investment income (loss)	281,852	(258,894)
Administrative fees	(13,536)	(14,950)
Balance, December 31	<u>\$ 2,332,497</u>	<u>\$ 2,079,353</u>

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 2. Beneficial Interest in Investments Held at the Community Foundation of Northern Colorado and the Women’s Foundation of Colorado (continued)

Community Foundation of Northern Colorado (continued)

The Organization uses a variety of funds held at the Community Foundation, as follows as of December 31, 2023:

Fund Name	Designated Use	Balance without Donor Restrictions	Balance with Donor Restrictions		Total
			Restricted in Perpetuity	Restricted for Time/Purpose	
Operating Reserve Fund (Tier 3)	Emergency and Operational Needs	\$ 455,217	\$ -	\$ -	\$ 455,217
Endowment Fund (Endowment and Quasi-Endowment)	Long Term Stability & Sustainability	\$ 1,326,124	\$ 98,342	\$ -	\$ 1,424,466
Legacy Scholarship Fund	Participant Scholarships	\$ 116,289	\$ 10,312	\$ -	\$ 126,601
Nancy Agency/ Project Self-Sufficiency Scholarships	Participant Scholarships	\$ 9,252	\$ 17,490	\$ 19,766	\$ 46,508
JoEllen Thornton Scholarship Fund	Participant Scholarships	\$ -	\$ 50,000	\$ 3,930	\$ 53,930
Looper Family Scholarship Fund	Participant Scholarships	\$ -	\$ 20,000	\$ 205,775	\$ 225,775
Total		\$ 1,906,882	\$ 196,144	\$ 229,471	\$ 2,332,497

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 2. Beneficial Interest in Investments Held at the Community Foundation of Northern Colorado and the Women’s Foundation of Colorado (continued)

Community Foundation of Northern Colorado (continued)

The Organization uses a variety of funds held at the Community Foundation, as follows as of December 31, 2022:

Fund Name	Designated Use	Balance without Donor Restrictions	Balance with Donor Restrictions		Total
			Restricted in Perpetuity	Restricted for Time/Purpose	
Operating Reserve Fund (Tier 3)	Emergency and Operational Needs	\$ 416,539	\$ -	\$ -	\$ 416,539
Endowment Fund (Endowment and Quasi-Endowment)	Long Term Stability & Sustainability	\$ 1,174,314	\$ 98,342	\$ -	\$ 1,272,656
Legacy Scholarship Fund	Participant Scholarships	\$ 72,689	\$ 10,312	\$ 11,019	\$ 94,020
Nancy Agency/ Project Self-Sufficiency Scholarships	Participant Scholarships	\$ -	\$ 17,490	\$ 25,216	\$ 42,706
JoEllen Thornton Scholarship Fund	Participant Scholarships	\$ -	\$ 50,000	\$ 1,974	\$ 51,974
Looper Family Scholarship Fund	Participant Scholarships	\$ -	\$ 20,000	\$ 181,458	\$ 201,458
Total		\$ 1,663,542	\$ 196,144	\$ 219,667	\$ 2,079,353

Note 3. Investments

Investments

The investment balance on the statement of financial position includes a \$14,700 donor restricted endowment for the long term sustainability of the Organization at December 31, 2023 and 2022. That restricted corpus cannot be spent by the Organization. However, the earnings within the investment portfolio are unrestricted, and can be spent by the Organization immediately for any purpose the Organization chooses. The remaining investment balance consists of accumulated earnings which are donor restricted for the purpose of participant scholarships.

Investments at December 31, 2023 are presented in the statement of financial position at fair value and composed of the following:

Investments	Fair Value	Cost	Unrealized Gain/(Loss)
Cash and cash equivalents	\$ 471,165	\$ 471,165	\$ -
Equities	855	914	(59)
Mutual funds	18,750	21,821	(3,071)
Certificate of deposits	149,741	150,000	(259)
	<u>\$ 640,511</u>	<u>\$ 643,900</u>	<u>\$ (3,389)</u>

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 3. Investments (continued)

Investments (continued)

Investments at December 31, 2022 are presented in the statement of financial position at fair value and composed of the following:

Investments	Fair Value	Cost	Unrealized Gain/(Loss)
Equities	\$ 826	\$ 594	\$ 232
Mutual funds	17,924	20,382	(2,458)
Certificate of deposits	599,558	600,000	(442)
	<u>\$ 618,308</u>	<u>\$ 620,976</u>	<u>\$ (2,668)</u>

Fair Value

The fair value of investments as of December 31, 2023 were determined using the following inputs of the fair value hierarchy:

Investments	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 471,165	\$ -	\$ -	\$ 471,165
Equities	855	-	-	855
Mutual funds	-	18,750	-	18,750
Certificate of deposits	149,741	-	-	149,741
	<u>\$ 621,761</u>	<u>\$ 18,750</u>	<u>\$ -</u>	<u>\$ 640,511</u>

The fair value of investments as of December 31, 2022 were determined using the following inputs of the fair value hierarchy:

Investments	Level 1	Level 2	Level 3	Total
Equities	\$ 826	\$ -	\$ -	\$ 826
Mutual funds	-	17,924	-	17,924
Certificate of deposits	599,558	-	-	599,558
	<u>\$ 600,384</u>	<u>\$ 17,924</u>	<u>\$ -</u>	<u>\$ 618,308</u>

The fair values of domestic corporate bonds are based on quoted market prices in active markets and are included in the Level 1 inputs of the fair value hierarchy. The Organization believes the market for U.S. treasury bonds is an actively traded market given the high level of daily trading volume.

Certain mutual funds are valued at the net asset value of shares held by the Organization as of December 31, 2023 using level 2 inputs of the fair value hierarchy based upon the Organization's ability to redeem its investment with the investee at net asset value per share at the measurement date.

Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements. The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 4. Net Investment Return

Net investment return consists of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Investments and Bank Accounts		
Interest and dividends	\$ 23,107	\$ 2,083
Net realized and unrealized (loss)	89	(3,732)
	23,196	(1,649)
Beneficial Interest in Women’s Foundation		
Net realized and unrealized gain (loss)	13,727	(4,953)
Beneficial Interest in Community Foundation		
Interest and dividends	49,787	40,060
Net realized and unrealized gain (loss)	232,065	(298,954)
Investment management fees	(13,536)	(14,950)
	\$ 305,239	\$ (280,446)

Note 5. Leases

The Organization has an operating lease for its office space. The lease requires monthly payments of \$1,519 with final payments due March 30, 2024. Total rent expense relating to this lease was \$18,228 for the years ended December 31, 2023 and 2022.

During the year ended December 31, 2023, prior to the expiration of the lease, the Organization entered into a new operating triple net lease for office space. The lease requires monthly payments of \$3,516 for estimated operating expenses beginning December 2023 through March 2024. Beginning April 2024, the lease requires monthly payments of \$4,940 for base rent plus \$3,516 for estimated operating expenses through March 2029, at which point base rent increases to \$5,434 through March 2034. The lease includes an option to renew for an additional five years, which the Organization is reasonably certain to exercise. The renewal option term is the same as the initial term, except that base rent will be determined based on market rates for similar commercial/office properties in the Loveland market. Total rent expense relating to this lease was \$5,155 for the year ended December 31, 2023.

In accordance with FASB ASU 2016-02, Leases (Topic 842) – Leases, as shown on the statement of financial position as right-of-use assets of \$745,389 and \$40,566 net of accumulated amortization of \$38,865 and \$17,915 and lease liability of \$714,717 and \$21,151 as of December 31, 2023 and 2022, respectively.

The remaining lease term as of December 31, 2023 is 15.15 years.

The Organization utilized its weighted average risk-free rate of 3.90% as the discount rate.

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 5. Leases (continued)

Assuming no early terminations of leases, the total minimum rental commitment at December 31, 2023, is due as follows:

<u>For the year ending December 31,</u>	<u>Amount</u>
2024	\$ 52,055
2025	59,280
2026	59,280
2027	59,280
2028	59,280
Thereafter	<u>666,900</u>
Total	956,075
Less discount	<u>(241,358)</u>
Total	<u>\$ 714,717</u>

Note 6. Property and Equipment

Property and equipment consisted of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Building	\$ -	\$ -
Office furniture and equipment	14,405	14,405
Leasehold improvements	12,210	12,210
Less accumulated depreciation	<u>(26,615)</u>	<u>(26,615)</u>
	<u>\$ -</u>	<u>\$ -</u>

During the year ended December 31, 2022, the Organization sold its Fort Collins office. The gain on sale of \$79,214 is presented on the statement of activities.

Note 7. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2023 and 2022, consist of:

	<u>2023</u>	<u>2022</u>
Restricted by donors for		
Endowment – restricted in perpetuity	\$ 210,844	\$ 210,844
Scholarship Fund	229,471	219,667
Child Care Fund	231,758	218,889
Cool Kids Fund	7,467	17,463
Boundless Children’s Fund	1,603	5,016
Holiday Sponsorship Fund	8,005	10,261
	<u>\$ 689,148</u>	<u>\$ 682,140</u>

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 7. Net Assets with Donor Restrictions (continued)

Net assets were released from restrictions as follows during the years ended December 31, 2023 and 2022:

	2023	2022
Restricted by donors for		
Scholarship Fund	\$ 333,550	\$ 378,217
Value of cars provided to families	57,130	25,669
Child Care Fund	19,022	11,088
Cool Kids Fund	18,762	15,400
Boundless Children’s Fund	3,413	4,199
Discover and Actualize Fund	35,783	47,342
Holiday Sponsorship Fund	26,810	22,320
	\$ 494,470	\$ 504,235

Note 8. Retirement Plan

Employees are eligible to begin salary deferrals into the 401(k) plan on the first date of employment. The Organization with match up to 5% of deferrals made by employees. Employees are fully vested in contributions made by them and by the Organization. During the years ended December 31, 2023 and 2022, the Organization’s contributions to the plan totaled \$23,952 and \$26,926, respectively.

Note 9. Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statements of financial position dates to fund expenses without limitations at December 31:

	2023	2022
Cash and cash equivalents	\$ 394,800	\$ 563,831
Cash and cash equivalents – Operating Reserve Tier 1	89,286	89,197
Investments held at Community Foundation of Northern Colorado – Operating Reserve Tier 3	455,217	416,539
Accounts receivable	56,974	42,258
	\$ 996,277	\$ 1,111,825

The Organization also has liquidity in beneficial interest investments held at Community Foundation of Northern Colorado with donor restrictions for scholarships in the amount of \$229,471 and \$219,667 as of December 31, 2023 and 2022, as well as Board designated quasi endowments in the amount of \$1,326,124 and \$1,174,314 as of December 31, 2023 and 2022, respectively (Note 2). The Organization also has \$113,774 and \$100,047 of board designated quasi endowment held at the Women’s Foundation of Colorado (Note 2) and \$149,741 and \$349,555 in investments without donor restrictions as of December 31, 2023 and 2022, respectively.

The supply of affordable housing continues to be a very significant barrier for the single-parent families being served by the Organization. In pursuit of innovative solutions, the Organization's Board of Directors has approved a pilot project in partnership with key affordable housing partners. Rent subsidies will be paid from unrestricted endowment funds. The Board of Directors has designated a maximum allocation of \$120,000 for use towards rent, of which no more than \$40,000 is to be spent annually and is subject to an annual review by the Board of Directors. The pilot project was launched in 2021. At December 31, 2023 and 2022, the remaining unspent balance of the housing pilot designation is \$75,675 and \$96,310, respectively.

PROJECT SELF-SUFFICIENCY OF NORTHERN COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Totals for December 31, 2022)

Note 9. Liquidity and Availability of Financial Assets (continued)

In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient contributions and other revenues, and by utilizing donor-restricted resources from current and prior years gifts as needed. The statement of cash flows identifies the sources and uses of the Organization's cash. The statement shows net cash and cash equivalents (used) by operating activities of \$(162,000) and \$(63,421) for the years ending December 31, 2023 and 2022, respectively.