PROJECT WORTHMORE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

PROJECT WORTHMORE

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

CONTENTS

October 4, 2024

Independent Auditor's Report

Board of Directors
Project Worthmore
Aurora, Colorado

Opinion

We have audited the accompanying financial statements of **Project Worthmore**, (a Colorado nonprofit corporation), 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 Worthmore as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Project Worthmore 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 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 Project Worthmore'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 Project Worthmore'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 Worthmore'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 Worthmore's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 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.

Taylor Roth and Company Pllc

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

PROJECT WORTHMORE

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
Assets		
Cash and cash equivalents	$ 1,184,986	$ 1,072,075
Donations, contracts and other receivable	571,076	292,648
Grants receivable	-	218,248
Prepaid expenses	5,000	809
Property and equipment (Note 5)	3,976,828	3,411,665
Total assets	$ 5,737,890	$ 4,995,445
Liabilities and net assets		
Accounts payable	$ 58,978	$ 10,977
Payroll liabilities	78,664	62,615
Project related investment (PRI) loan (Note 4)	1,465,000	1,068,789
Mortgage payable (Note 6)	591,277	607,308
Capital lease obligation	-	54,701
Deferred revenue	15,000	25,000
Liabilities	2,208,919	1,829,390
Net assets		
Without donor restrictions	3,091,050	3,166,055
With donor restrictions (Note 9)	437,921	-
Total net assets	3,528,971	3,166,055
Total liabilities and net assets	$ 5,737,890	$ 4,995,445

The accompanying notes are an integral part of these financial statements

PROJECT WORTHMORE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and other support				
Grants and foundations	1,118,502	186,525	1,305,027	979,067
Medicaid insurance reimbursements	1,251,320	-	1,251,320	757,815
Individual and board donations	375,394	171,600	546,994	862,869
Special event income	26,040	318,304	344,344	191,445
Less: special event expenses	(20,877)	(50,983)	(71,860)	(39,911)
Private pay insurance reimbursements	214,125	-	214,125	172,704
Employee retention credit (Note 10)	143,688	-	143,688	-
In-kind contributions (Note 7)	116,941	-	116,941	85,876
Government grants and contracts	68,301	-	68,301	517,852
Gain(Loss) on disposal of assets	60,793	-	60,793	-
Dental insurance	51,251	-	51,251	34,133
Rental income	46,827	-	46,827	5,400
Merchandise Sales	34,284	-	34,284	17,295
Other income	27,157	-	27,157	26,579
Net assets released from restrictions (Note 8)	187,525	(187,525)	-	-
Total revenue and other support	3,701,271	437,921	4,139,192	3,611,124
Expense				
Programs				
Dental clinic	1,797,181	-	1,797,181	1,111,116
Delaney farm	191,734	-	191,734	214,275
Other programs	951,957	-	951,957	953,509
Supporting services				
Management and general	613,525	-	613,525	568,099
Fundraising	221,879	-	221,879	101,170
Total expense	3,776,276	-	3,776,276	2,948,169
Change in net assets	(75,005)	437,921	362,916	662,955
Net assets, beginning of year	3,166,055	-	3,166,055	2,503,100
Net assets, end of year	$ 3,091,050	$ 437,921	$ 3,528,971	$ 3,166,055

The accompanying notes are an integral part of these financial statements

PROJECT WORTHMORE

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023							2022
	Program				Supporting Services			
	Dental Clinic	Delaney Farm	Other Programs	Total Program Expenses	Management and General	Fund-raising	Total	Total
Salaries, payroll taxes and benefits	$ 1,346,873	$ 145,993	$ 462,543	$ 1,955,409	$ 491,614	$ 181,249	$ 2,628,272	$ 1,863,666
Supplies	167,332	-	-	167,332	-	984	168,316	138,078
Food share program	-	-	149,919	149,919	-	-	149,919	111,810
Refugee assistance	-	-	82,279	82,279	110	-	82,389	310,188
Utilities	34,592	-	17,296	51,888	17,296	-	69,184	93,693
Interest expense	43,887	-	6,897	50,784	6,898	5,014	62,696	21,953
Hardship relief	-	-	52,823	52,823	-	-	52,823	27,193
Equipment	19,530	2,441	12,206	34,177	14,647	-	48,824	39,893
Insurance	16,325	2,041	10,203	28,569	12,243	-	40,812	34,968
Delaney farm supplies	-	37,699	-	37,699	-	-	37,699	15,410
Technology	13,100	1,638	8,188	22,926	9,825	-	32,751	31,513
Understanding neighbors program	-	-	32,697	32,697	-	-	32,697	2,473
Travel meals and entertainment	-	-	10,390	10,390	19,516	-	29,906	30,114
Repairs and maintenance	-	-	18,535	18,535	1,628	-	20,163	29,632
Advertising	-	-	-	-	-	24,484	24,484	10,907
Trainings and certifications	23,566	-	-	23,566	-	-	23,566	8,682
Bank fees	1,983	-	-	1,983	143	9,973	12,099	9,124
Accounting and legal	-	-	-	-	10,905	-	10,905	9,970
Dues and subscriptions	5,292	-	3,841	9,133	-	-	9,133	5,759
Volunteer program	-	-	5,720	5,720	-	-	5,720	5,915
Dental office build-out	-	-	-	-	-	-	-	11,580
Other	8,386	1,922	7,339	17,647	698	175	18,520	29,746
	1,680,866	191,734	880,876	2,753,476	585,523	221,879	3,560,878	2,842,267
Depreciation	116,315	-	71,081	187,396	28,002	-	215,398	105,902
Total expenses	$ 1,797,181	$ 191,734	$ 951,957	$ 2,940,872	$ 613,525	$ 221,879	$ 3,776,276	$ 2,948,169

The accompanying notes are an integral part of these financial statements

PROJECT WORTHMORE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 362,916	$ 662,955
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	215,398	105,902
Gain(Loss) on disposal	35,757	-
Changes in operating assets and liabilities		
(Increase)decrease in donations, contracts and receivable	(278,428)	(187,255)
(Increase)decrease in grants receivable	218,248	296,917
(Increase)decrease in prepaid expenses	(4,191)	3,641
(Decrease)increase in accounts payable	48,001	9,512
(Decrease)increase in payroll liabilities	16,049	42,031
(Decrease)increase in deferred revenue	(10,000)	25,000
Net cash provided by operating activities	603,750	958,703
Cash flows from investing activities		
(Additions) to property and equipment	(420,107)	(891,391)
(Additions) to construction	(396,211)	(1,068,789)
Net cash used by investing activities	(816,318)	(1,960,180)
Cash flows from financing activities		
Borrowing on Project Related Investment (PRI) loan	396,211	1,068,789
(Payments) on mortgage payable	(16,031)	(15,525)
(Payments) on short-term notes payable	(12,058)	(16,881)
(Payments) on long-term notes payable	(42,643)	(12,845)
Net cash provided by financing activities	325,479	1,023,538
Net increase in cash and cash equivalents	112,911	22,061
Cash and cash equivalents, beginning of year	1,072,075	1,050,014
Cash and cash equivalents, end of year	$ 1,184,986	$ 1,072,075
Suppliemental disclosure of information		
Cash paid for mortgage interest	$ 24,332	$ 21,953

The accompanying notes are an integral part of these financial statements

PROJECT WORTHMORE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - NATURE OF ACTIVITIES

Project Worthmore, (the Organization) is a 501(c)(3) not-for-profit corporation formed in 2011 that seeks to improve the quality of life of Denver-area refugees by providing programs that foster community and self-sufficiency. The Organization offers six comprehensive programs to thousands of refugee clients.

Project Worthmore addresses the needs within the community with the following programs and services:

- **Worthmore Clinic** is a twelve-chair dental clinic offering comprehensive restorative and preventative dental care to the refugee community.
- **DeLaney Community Farm**, in partnership with Denver Urban Gardens, has a 5-acre farm that supports refugees through sustainable agriculture and community building.
- **English language program** offers multiple classes a day at various locations, along with free babysitting, to increase access for refugee clients.
- **Community Navigators** program offers assistance to refugees' post-resettlement. Employees help newcomers with essential services like, enrolling children in school, applying for government benefits, finding meaningful employment, navigating the healthcare system, and much more.
- **Family Partners** pairs volunteer and refugee families with the hope they develop meaningful relationships that aid in social bridging.
- **Yu Meh Food Share** is a culturally relevant food access program run by the refugee community. The program is resourced by local businesses, nonprofits, and the refugee training farm, also helping to reduce waste within the food supply chain.

The Organization is supported primarily by grants and foundation income, individual and board contributions, and Medicaid reimbursements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

   The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

   The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report 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 board of directors.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

2. Basis of Presentation (Concluded)

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 or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of one year or less to be cash equivalents.

4. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of $3,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

5. Estimates

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

6. Accounts Receivable

This amount represents outstanding Medicaid billings less a 50% write-down.

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended December 31, 2023, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain categories of expenses attributable to program services or a supporting function are allocated on a reasonable basis that is consistently applied. The significant expenses that are allocated are salaries and payroll taxes and benefits which are allocated based on time and effort. Insurance, and occupancy expenses are allocated based upon use. Other expenses are allocated based upon the program or supporting service benefited.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

9. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

10. Compensated Absences

In accordance with (SFAS) No. 43, since the Organization is not able to estimate compensated absences, no amount has been accrued in these financial statements.

11. Summarized Prior-Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

12. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

13. Subsequent Events

Management has evaluated subsequent events through October 4, 2024, the date the financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents financial assets available for general operating expenditures within one year at December 31, 2023:

Financial assets at year-end:	Amount
Cash and cash equivalents	$ 1,184,988
Donations, contracts and other receivable	571,076
Total financial assets available to meet cash needs for general expenditures within one year:	$ 1,756,064

The Organization's goal is generally to maintain financial assets available to meet one year of general operating expenses. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations, as being available for general expenditures.

NOTE 4 - CONSTRUCTION

During the year, the Organization borrowed $1.465 million from Colorado Enterprise Fund, Inc. (CEF). This Project Related Investment (PRI) loan is only to be used for construction on the Organization's property. Per the agreement dated June 15, 2022, funds will be disbursed upon presentation of purchase orders, contracts, invoices, financial statements, accounts receivable aging or other appropriate evidence. CEF may restrict disbursements for any reason as determined in its sole and absolute discretion. The note bears interest of 2% per annum and matures on June 15, 2032. Interest only payments, based on the principal balance outstanding from time to time, due July 15, 2023 and each month thereafter, until principal and interest payments begin. Payments of $6,626 per month commences on July 15, 2024 and will continue monthly until June 15, 2032 when the PRI will be payable in full.

At year-end, the Organization had utilized $1,465,000 of the $1,465,000 PRI. The future scheduled principal payments under CEF note for the years ending December 31, 2023 are as follows:

Year	Amount
2024	$ 25,213
2025	51,189
2026	52,222
2027	53,276
2028	54,351
2029	55,449
2030	56,568
2031	57,709
2032	1,059,022
Total	$ 1,465,000

NOTE 5 - PROPERTY AND EQUIPMENT

At year-end, property and equipment consist of:

Description	Amount
Phase I dental construction	$ 2,102,102
Phase I dental equipment	575,084
Building	855,423
Land	321,182
Phase II (work in process)	276,565
Dental equipment	70,815
Box truck f450	54,999
Furniture and equipment	24,389
Total	4,280,558
Less: accumulated depreciation	(303,730)
Net property and equipment	$ 3,976,828

Depreciation expense for the year was $215,398.

NOTE 6 - NOTE PAYABLE

The Organization has a participating mortgage note payable of $634,000 that was used to purchase the building at 1666 Elmira St. The note bears interest at 3.99% and matures on March 24, 2028. Interest on the mortgage note is payable monthly, with principal due at maturity. Interest expense for the year was $24,332. The Organization's note payable of $607,308 agrees to the principal balance according to the amortization schedule provided by the lender. The future scheduled principal payments under the new note for the years ending December 31, 2023 are as follows:

Year	Amount
2024	$ 16,683
2025	17,438
2026	18,156
2027 and after	539,000
Total	$ 591,277

NOTE 7 - IN-KIND CONTRIBUTIONS

Donated services are reflected in the accompanying financial statements at the estimated value at date of receipt. There were no donor restrictions associated with the in-kind contributions. The value of donated services included in the financial statements and the corresponding expenses for the year are as follows:

Description	Amount
We Don't Waste food donation (valued at about $.42 per serving)	$ 116,941

Donated services which require recognition are those that create or enhance non-financial assets or that specifically require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During 2023, Project Worthmore involved approximately 1,113 volunteers providing over 1,655 hours of volunteer time. These donated services were not recognized in the financial statements because they did not meet the criteria for recognition.

NOTE 8 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

Description	Amount
Navigators	$ 104,452
Food share	61,298
English program	11,775
Delaney farm	10,000
Total	$ 187,525

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

Description	Amount
Capital Project	$ 437,921

NOTE 10 - CONCENTRATION OF CREDIT RISK

The Organization holds the majority of its cash at one financial institution. Amounts over $250,000 are not insured by the FDIC or related entity. At year-end, the Organization's uninsured checking and money market account balances total approximately $326,501. Management has evaluated its banking needs and the strength of the financial institution and feels it is in the best long-term interest of the organization to continue its existing relationship.

NOTE 11 - EMPLOYEE RETENTION CREDIT

The Organization amended applicable 941 quarterly tax filings to apply for an ERC credit. The Organization received refunds from the amended 941 filings on July 2023. The Organization engaged with their payroll company to administrate and help apply for the ERC. The total net amount received equaled $143,688.

Laws and regulations concerning government programs, including the Employee Retention Credit established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization.