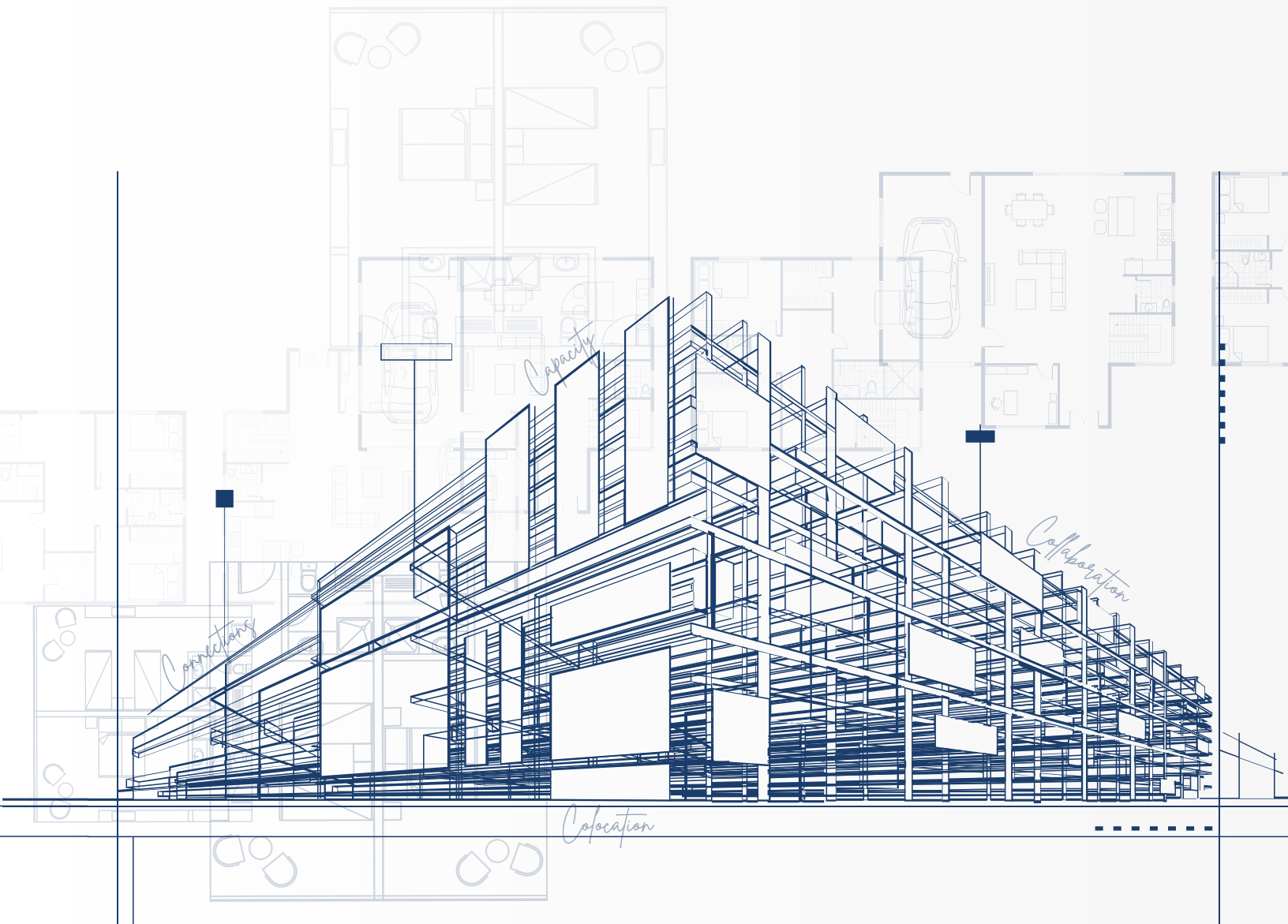




2022 Annual Report

BLUEPRINT

For The Future





OUR MISSION

We partner with nonprofits to help make their services more accessible for people in need.



TABLE OF CONTENTS

01

Introduction

02

How We Do It

03

Our Partners & Members

04

2022 Overview

05

Operations

06

Serve Lewisville

07

Financials

09

Development

10

Staff & Board

LETTER FROM OUR BOARD CHAIR & CEO

In 2022, we focused on creating a "Blueprint for the Future." This means we started asking critical questions on growth, financial sustainability, and succession planning. Serve Denton served 31,636 individuals at the center in 2022. In addition, our partners made referrals to one another 2,429 times, which highlights how our network of nonprofits is building relationships and working together to help more people.

The Board also focuses on four other metrics that we call "True North" which is the belief that if we manage a small set of high-level metrics, we will stay on track in fulfilling our mission. We define True North as partner satisfaction, employee retention, net income, and number of days of cash on hand. While we have overall high partner satisfaction in 12 of the 15 areas we measure, we are below 90 percent in three areas: parking, access, and comfort. These are three areas we are focusing on in 2023.

In the area of comfort, we realized during the summer that our chiller was reaching the end of its useful life. The refrigerant it uses is no longer produced, and frequent shutdowns affected the partner agencies. To address this need, we funded the \$125,000 replacement through a foundation grant. Additionally, we made safety a focus this year due to increasing need. Specifically, we implemented a building-wide security badge system, created a secure lobby, and implemented a property-wide emergency action plan.

Serve Denton is poised to expand our impact. From our inception in 2012, we have helped our partner agencies meet extraordinary needs throughout the COVID-19 pandemic.


Our success in serving the City of Denton and Denton County has attracted interest from other communities to replicate our model. The challenge is choosing wisely which opportunities to pursue, building upon what we do well, and maintaining financial sustainability to support the mission.

Toward this end, we undertook a strategic planning process with La Piana Consulting this past April. The Board, led by a strategy team, engaged in this process to collectively determine future priorities. The result is a blueprint for the 2023-2030 period pursuing four priorities:

- Measured growth based on clear strategic criteria.
- Strengthened financial sustainability through five sub-strategies to diversify revenues.
- Increased staff capacity for a smooth transition upon Pat's planned retirement in 2030.
- Leveraging our Board to advance Serve Denton's mission.

The goal of our framework is to serve the city of Denton while broadening Serve Denton's "service impact" to other communities. This is why the "Blueprint for the Future" was developed and why Serve Denton exists: "service."

We look forward to the challenges in 2023 as we serve Denton County.

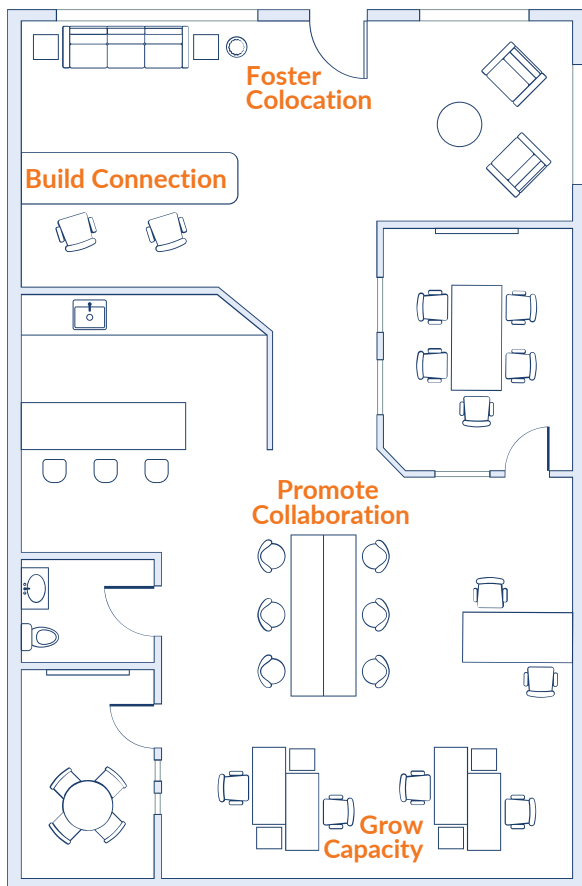


Dr. Roxanne Del Rio
Board Chair | 2022




Pat Smith
Chief Executive Officer





OUR PLAN

Everything we do starts with the 21 nonprofits we partner with daily! Our plan is to help these nonprofits maximize their community impact through shared resources and space.

We begin **fostering colocation** by providing affordable space for nonprofits to operate.

Then we welcome nonprofits into a safe, well-equipped space where they can **build connections** with other partners.

Our staff puts on fun, engaging events for nonprofits to create an environment that **promotes collaboration**.

As the need for their services increases, we continue to provide the resources they need to **grow capacity**.

2022 RECAP

31,363

Individuals Served

50,130

Client Visits

2,429

Network Referrals





2022 NETWORK

Our Partners & Members



2022 AT A GLANCE

Keeping Serve Denton Safe

To provide a safe environment for our partners and the people they serve, we installed safety glass in the waiting area, implemented a new key card system, & put in high resolution security cameras. We also hired Scott Butler as our Security Director!



Food Center Grows

Construction officially began on the Denton Community Food Center's new addition. This addition, created through a partnership with the City of Denton, Serve Denton, and the DCFC, will increase their capacity by providing additional space for food storage.

Award Winning

At the Center for Nonprofit Management's Night of Light event, Serve Denton won the Stakeholder Engagement award! We were also in the top 3 nominees for Nonprofit of the Year. Celebrating with our partners, board, staff, & families was a special moment.



Challenge Accepted

We received a \$450,000 grant from a private foundation. \$300,000 of this grant will replace our aging HVAC system and pay down our building debt. The foundation challenged us to match the remaining \$150,000, which will allow us to complete our \$10.2 million capital campaign!



LETTER FROM OUR OPERATION'S DIRECTOR

Joining Serve Denton as the Operations Director in October 2022 felt like it was taking on the world with a team of “unicorns.” What I mean by that is that our team is full of smart, servant-hearted, hard-working individuals working toward the same goal. That same mentality is true of our nonprofit Network Partners, Members, and community supporters.

In 2022, our Network grew by one new Partner and four new Members totaling 21 nonprofit organizations. The biggest driver for our success is the satisfaction of our Network, and we ended the year with a **95% rating in overall satisfaction**. If they aren't happy and cannot effectively provide services for their clients, then we're not doing our job. As a team, the Serve Denton staff unitedly:

- ✓ Improved maintenance request response times from **2 days** to approximately **5 hours**.
- ✓ Implemented a **building-wide safety system** to enhance overall safety.
- ✓ Hosted **21 events and trainings** for our Network to build connections and foster collaboration.
- ✓ Assisted **2,932 clients** that walked in needing resources.

This is the blueprint for developing operations for future centers like Serve Lewisville and tailoring them for the community.

On November 7th, the Lewisville City Council voted in a \$2.5 million forgivable loan for us to acquire and develop the Serve Lewisville building. We closed on the DATCU Credit Union building at 1001 S. Edmonds, on November 9th and immediately had the ARCHDEN Construction Services team mobilized to start demolition. In tandem with construction, we began solidifying plans with nonprofit organizations to build the Serve Lewisville Network.

Moving into 2023, we'll be **servicing two unique communities** by providing better support and accessibility for its nonprofit organizations and residents. It truly takes a village to solve the wicked problems we're facing!



Kristen Gramling
Operation's Director



LETTER FROM OUR CHIEF FINANCIAL OFFICER

I've built four new homes over the years, using different contractors in two states. Each started with detailed blueprints, but none turned out exactly as planned. Hallways were expanded, construction materials changed, a circular stairway became a landing, and one was abandoned entirely when the house wouldn't fit on my lot. A Greek philosopher once said, "Change is the only constant."

Things change in our business lives too. But with experience, teamwork, and the continuing support of your partners and team, the final outcome can be better than the original plan. So it was with Serve Denton's 2022 financial results.

Our "financial blueprint" for 2022 called for \$1.4 million of revenue including \$393,000 in government grants for the Denton Community Food Center or "DCFC" (expected to open last July) and a bottom-line loss of \$36,000. To quote Jeff Bezos, "No plans survive their first encounter with reality." None of those things happened. Here are a few highlights of what did happen...

The sale of the Wheeler House generated \$192,000 in cash (used to make the 2022 New Market Tax Credit "NMTC" payment) and a \$62,000 gain, double the budgeted amount. Moreover, the sale freed us from the operational burden of maintaining an asset that was not part of our mission, allowing us to better focus financial and intellectual resources on our core values.

We received a grant from a private foundation in December. Part of the funds were used for the required 2023 payment on our NMTC debt a year early. The balance will fund a new HVAC unit. The same grant includes provisions for an additional \$150 thousand if we meet a matching challenge, which we're well on our way toward achieving.

Although we fell \$271,000 short in budgeted government grants due to construction delays in the DCFC addition, the expected completion is now in 2023, when the remaining approved funds will be recognized. Additionally, DCFC generously made a major contribution to the project in 2022.

Fortunately, the cumulative result of these "reality checks" on our blueprint was positive. Our bottom line was \$132,000 compared to 2021's net loss of \$118,000. The current ratio jumped to 3.5 as debt dropped \$456,000. Revenue and net income exceeded every year in our history except in 2018 when one-time contributions from our partners generated \$1.4 million of non-recurring revenue.

But I've saved the best blueprint change for last. After delivering a feasibility study commissioned by the City of Lewisville, City Council agreed to move forward with forming a Nonprofit Center, provided Serve Denton operates it. They sealed the deal with a \$2.5 million contribution. We purchased an 8,000-square-foot facility for the newly incorporated Serve Lewisville in November.

The full benefits and strategic ramifications of this mission-expanding action will continue to frame our blueprint as we address the needs of our growing community in the years to come.



A handwritten signature in black ink that reads "Dale R. Schmeltzle".

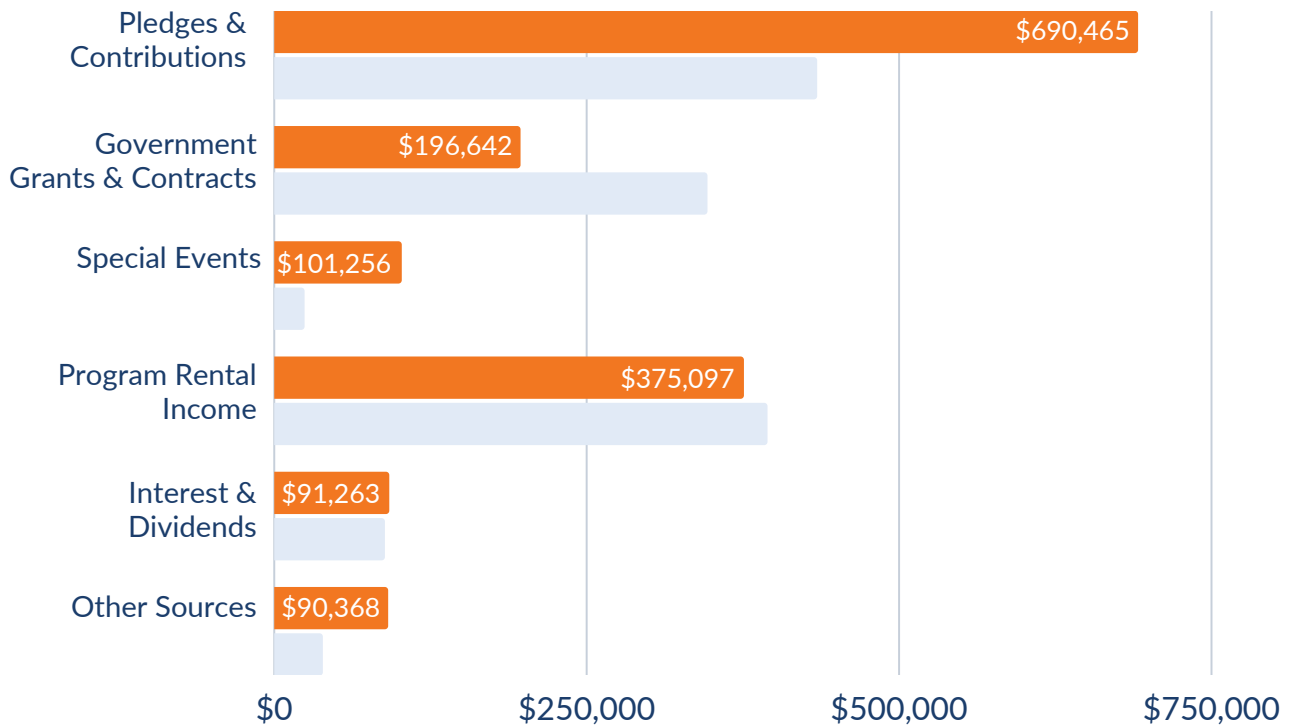
Dale R. Schmeltzle, CPA
Chief Financial Officer



FINANCIAL BREAKDOWN

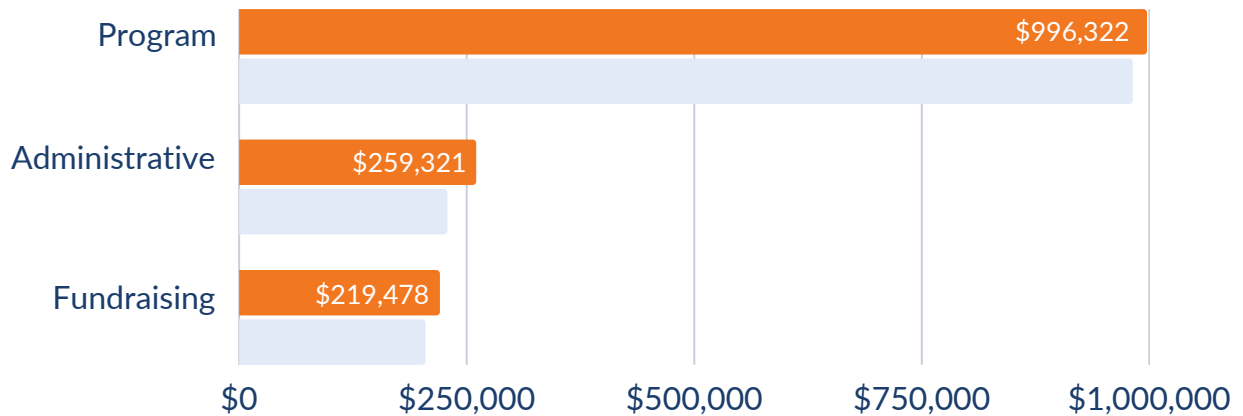
Revenue

2022 2021



Expenses

2022 2021



LETTER FROM OUR CHIEF DEVELOPMENT OFFICER

The blueprint the Serve Denton development staff created for 2022 started with great anticipation and excitement for a new year and new opportunities. As we realized in the summer we would be expanding and creating Serve Lewisville, we regrouped to design a plan to meet the funding needs for two centers and major changes to our department. This was just one of the few “change orders” along the way!

Instead of February, our annual Celebration was held in September due to the resurgence of Omicron, but the party was one of our best! Thanks to all the “flappers and dappers” who came to support Serve Denton and dance the night away!



Allison Quisenberry was promoted to Development Director and will represent Denton and Lewisville in our fundraising efforts. She became a Denton Chamber of Commerce Ambassador and represents our community through her service. We prepared to add a new Development Associate and Communications and Marketing Director that will double our department. Congratulations, Allison!



One of the most exciting events was the award of a \$450,000 grant from a private foundation to fund a new chiller for the main building and will allow us to retire our campaign debt. A portion of the grant requires Serve Denton to raise \$300,000 to draw down \$150,000 from the foundation. The deadline is December 2023 to meet the match.



The Development Office hosted 3 interns in 2022 from the UNT Nonprofit Leadership Program. The interns assisted with day-to-day operations, events, correspondence, and social media. We couldn't have done it without them! The partnership with UNT has provided an opportunity for tours of Serve Denton, speaking engagements to UNT students and a pipeline for future employees.

The development team is shown below in action at different networking and fundraising events!



This year Serve Denton installed a donor wall to honor and express our gratitude to our capital campaign donors who have made the past 10 years of incredible growth possible. We also want to thank the foundations and organizations for the ongoing generous support this year: Denton Benefit League, CoServ, Dawn Foods, and the City of Denton.

We would like to extend a special **heartfelt thank you** to all of our sustaining Circle of Support donors and Business Partners who faithfully and generously give to our mission of providing a community space for those in need to find help here!

Cathy Kerley

Cathy Kerley
Chief Development Officer



OUR TEAM



Pat Smith
Chief Executive Officer



Dale Schmeltzle
Chief Financial Officer



Nora E. Douglas, Ph.D.
Chief Program Officer



Cathy Kerley
Development Director



Paul Tanis
Property Director



Karla Ortega
Client Greeter



Allison Quisenbery
Development Associate



Kat Ricardo
Executive Assistant



Kristen Gramling
Operations Director



Scott Butler
Security Director

OUR BOARD

Board Chair Dr. Roxanne Del Rio, North Texas Central College, Dean of Strategic Student Initiatives & Multicultural Outreach

Immediate Past Chair Hank Dickenson, Denton Chamber of Commerce

Treasurer Karin Archer, Retired CPA

Secretary Cynthia Foster, Safran, HR Manager

Finance and Administration Committee Chair Karin Archer, Retired CPA

Development and Communication Committee Chair Charles Crouch, The Crouch Group, Account Executive

Governance Committee Chair Chris Watts, Attorney, Chris Watts Law Office

Program Committee Chair Amanda Robertson, Owner, Car Dealership

Property Committee Chair Cole Frazier, Real Estate Broker, Frazier Commercial Real Estate

Andrew Christman, Attorney, Christman Attorneys, PLLC

Anne Van Dyke, Senior Risk Solutions Consultant, MedPro Group

Anthony Eleazarraz, Senior Manager, Toyota Production System Support Center

Cheryl Aldridge, Nurse, Retired

Dr. Donalisa Stinyard, Faculty, Texas Woman's University

Doreen Rue, Chief Executive Officer, Health Services of North Texas

Eddie Renz, Chief Creative Officer, iTeachUSA

Jeremy Pope, Chief Technology Officer, ALL In Learning

John Ryan, Owner, Limerick Property Management

Kristen Howell, Chief Executive Officer, Children's Advocacy Center for North Texas

Melanie Vest, President, DATCU Credit Union

Mike Paulson, Vice Chair, Denton Community Food Center

Dr. Nancy DiMarco, Professor, Retired

Pam Marrufo, Chief Financial Officer, Denton Chamber of Commerce

Patty Lovelace, Dallas Market Center

Ron Johnson, Mediator

Stephen Coffey, Owner, Grey Hawk Advisors



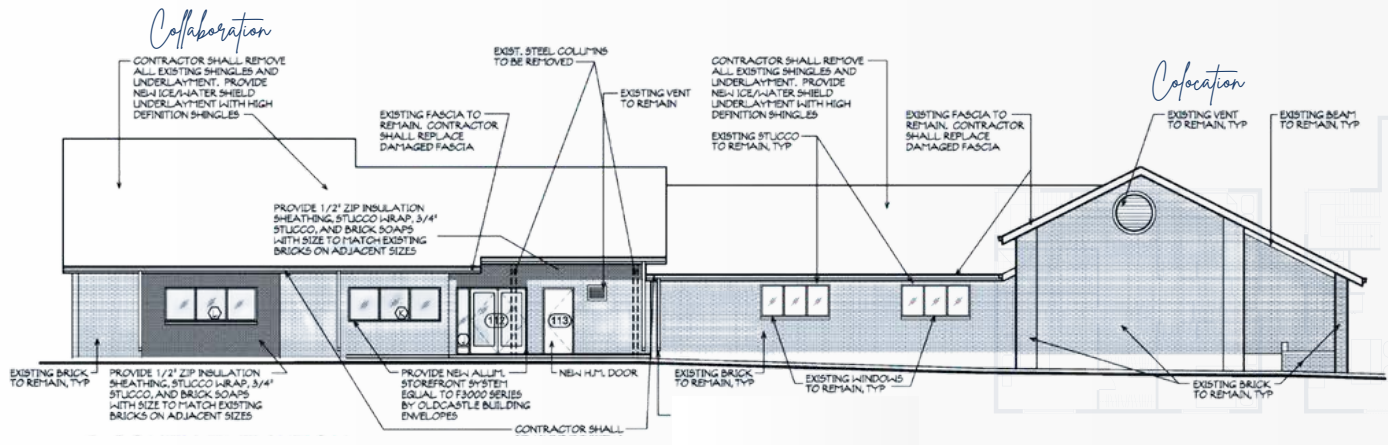
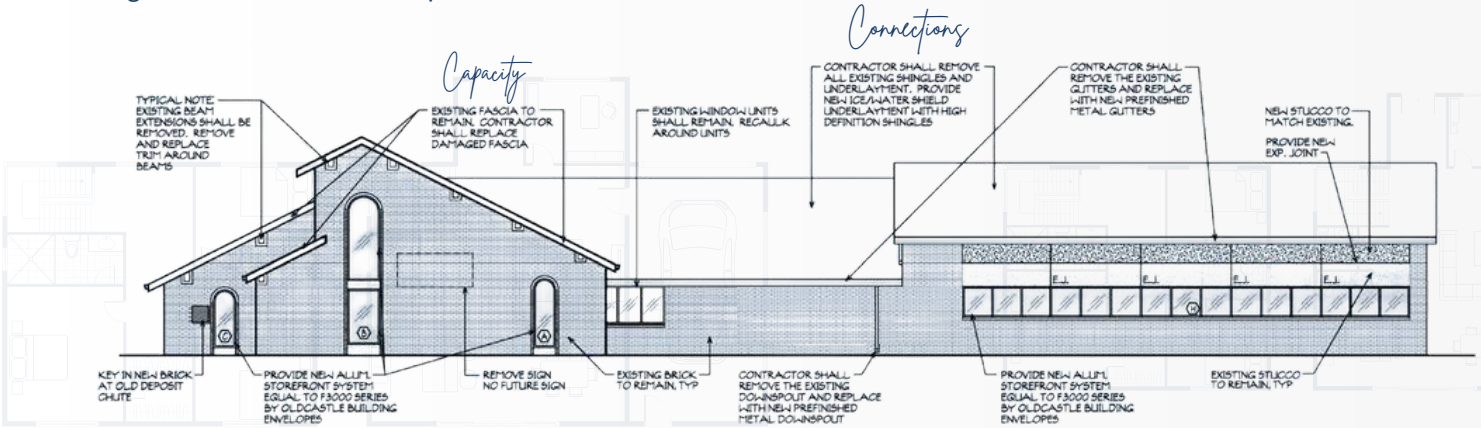


THANK YOU

We couldn't serve nonprofits in Denton without the generous support of our Business Partners and faithful Circle of Support members!



Original Serve Denton Blueprints



www.servedenton.org | 940.735.3234 | info@servedenton.org

