

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).  <p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	OMB Nos. 1210-0110 1210-0089  <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2013</div>  <div style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

Part II	Basic Plan Information—enter all requested information	
1a Name of plan <u>OUTREACH, INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶ <u>001</u>	
	1c Effective date of plan <u>10/01/2003</u>	
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)  <u>OUTREACH, INC.</u>  <u>5550 TECH CENTER DRIVE</u> <u>COLORADO SPRINGS, CO 80919</u>	2b Employer Identification Number (EIN) <u>33-0863910</u>	2c Sponsor's telephone number <u>719-955-9600</u>
	2d Business code (see instructions) <u>813000</u>	

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2014	KIM LEVINGS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2014	KIM LEVINGS
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) <u>DAVID MCHENRY, QKA, TGPC</u> <u>ENVOY TPA AND RECORDKEEPING, INC.</u> <u>4194 ROYAL PINE DRIVE</u> <u>COLORADO SPRINGS, CO 80920</u>			Preparer's telephone number (optional) <u>719-268-2711</u>

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2013)  
v. 130118

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address		<b>3b</b> Administrator's EIN	
<b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: <b>a</b> Sponsor's name		<b>3c</b> Administrator's telephone number  <b>4b</b> EIN <b>4c</b> PN	
<b>5</b> Total number of participants at the beginning of the plan year		<b>5</b>	193
<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).			
<b>a</b> Active participants .....		<b>6a</b>	103
<b>b</b> Retired or separated participants receiving benefits .....		<b>6b</b>	
<b>c</b> Other retired or separated participants entitled to future benefits.....		<b>6c</b>	108
<b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....		<b>6d</b>	211
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits .....		<b>6e</b>	0
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....		<b>6f</b>	211
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....		<b>6g</b>	197
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested .....		<b>6h</b>	0
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		<b>7</b>	
<b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2T 3D			
<b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor		<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <b>A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)	

<b>SCHEDULE C</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2013</b>
		<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

<b>A</b> Name of plan <u>OUTREACH, INC. 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>OUTREACH, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>33-0863910</u>

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

ENVOY SECURITIES, LLC 4194 ROYAL PINE DRIVE  
COLORADO SPRINGS, CO 80920

**(b)** Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

NATIONWIDE

31-1592130

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 18 37 38 64 65 72	CONTRACT ADMIN	21580	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

ENVOY FINANCIAL

33-0723870

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 17 37 38 65	CONTRACT ADMIN	8017	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

CLARKE LANZEN SKALLA INVESTMENT

13-4109249

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26 28 51	INVESTMENT MGR	6800	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide



**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name: <span style="color: blue;">CONSIDINE &amp; CONSIDINE</span>	<b>b</b> EIN: <span style="color: blue;">95-2684444</span>
<b>c</b> Position: <span style="color: blue;">CPA FIRM - AUDITOR</span>	
<b>d</b> Address: <span style="color: blue;">1501 5TH AVENUE #400 SAN DIEGO, CA 92101</span>	<b>e</b> Telephone: <span style="color: blue;">619-231-1977</span>

Explanation: PLAN SPONSOR RELOCATED TO A DIFFERENT CITY AND WANTED TO WORK WITH A LOCAL CPA IN THAT NEW CITY.

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).  <b>► File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2013</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
<b>A</b> Name of plan <u>OUTREACH, INC. 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) ►	<u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>OUTREACH, INC.</u>	<b>D</b> Employer Identification Number (EIN)  <u>33-0863910</u>	

Part I Asset and Liability Statement			
<b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
<b>Assets</b>		<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>		
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other .....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>		102376
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other .....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>	32615	50393
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>	1866440	2006873
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

<b>1d</b> Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	1899055	2159642

**Liabilities**

<b>g</b> Benefit claims payable .....	<b>1g</b>		
<b>h</b> Operating payables .....	<b>1h</b>		
<b>i</b> Acquisition indebtedness .....	<b>1i</b>		
<b>j</b> Other liabilities .....	<b>1j</b>		
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j) .....	<b>1k</b>	0	0

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	1899055	2159642
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**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>	49029	
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	88096	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>	57186	
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		194311
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>		
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	1410	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		1410
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>	58102	
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		58102
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		0
(5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....	<b>2b(5)(A)</b>		
<b>(B)</b> Other .....	<b>2b(5)(B)</b>		
<b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts .....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts .....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities .....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	2b(10)		297492
c Other income .....	2c		
d Total income. Add all <b>income</b> amounts in column (b) and enter total .....	2d		551315

**Expenses**

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	2e(1)	243630	
(2) To insurance carriers for the provision of benefits .....	2e(2)		
(3) Other .....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3) .....	2e(4)		243630
f Corrective distributions (see instructions) .....	2f		8874
g Certain deemed distributions of participant loans (see instructions) .....	2g		1827
h Interest expense .....	2h		
i Administrative expenses: (1) Professional fees .....	2i(1)		
(2) Contract administrator fees .....	2i(2)	36397	
(3) Investment advisory and management fees .....	2i(3)		
(4) Other .....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4) .....	2i(5)		36397
j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....	2j		290728

**Net Income and Reconciliation**

k Net income (loss). Subtract line 2j from line 2d .....	2k		260587
l Transfers of assets:			
(1) To this plan .....	2l(1)		
(2) From this plan .....	2l(2)		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERICKSON, BROWN & KLOSTER, P.C.

(2) EIN: 84-0957308

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) .....
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) .....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....		X	
<b>e</b> Was this plan covered by a fidelity bond? .....	X		200000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) .....		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....	X		
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....	X		

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. .... ☐ Yes ☒ No Amount:

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

## Part V Trust Information (optional)

<b>6a</b> Name of trust	<b>6b</b> Trust's EIN

<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2013</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

<b>A</b> Name of plan <u>OUTREACH, INC. 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>OUTREACH, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>33-0863910</u>

<b>Part I</b>	<b>Distributions</b>
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All references to distributions relate only to payments of benefits during the plan year.

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>
<b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  EIN(s): <u>31-1592130</u> <u>75-3182674</u>  <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>	
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b> <u>35</u>

<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
<b>If the plan is a defined benefit plan, go to line 8.</b>			
<b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. <b>Date:</b> Month _____ Day _____ Year _____ <b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b>			
<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) .....	<b>6c</b>		
<b>If you completed line 6c, skip lines 8 and 9.</b>			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
<b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers .....	<b>16b</b>	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_



**OUTREACH, INC. 401(K)  
RETIREMENT PLAN**

**FINANCIAL STATEMENTS**

**December 31, 2013 and 2012**

## **OUTREACH, INC. 401(K) RETIREMENT PLAN**

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**Erickson, Brown & Kloster, P.C.**  
*Certified Public Accountants*

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## ***INDEPENDENT AUDITORS' REPORT***

To the Plan Administrator of  
***Outreach, Inc. 401(k) Retirement Plan***

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of ***Outreach, Inc. 401(k) Retirement Plan*** (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Nationwide Financial Services, Inc. and MG Trust Company, LLC, the custodians of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that MG Trust Company, LLC held the Plan's investment assets and executed investment transactions from November 1, 2013 to December 31, 2013, and that Nationwide Financial Services, Inc. held the investment assets and executed investment transactions as of December 31, 2012 and for the period January 1, 2013 to October 31, 2013. The Plan administrator has obtained certifications from the custodians as of and for the year ended December 31, 2013, that the information provided to the Plan administrator by the custodians is complete and accurate.

### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

### **Other Matter – Supplemental Schedule**

The supplemental schedule of assets (held at year end), is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

### **Other Matter – 2012 Financial Statements**

The financial statements of the Plan as of December 31, 2012, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Nationwide Financial Services Inc., the custodian of the Plan. Their report, dated August 8, 2013, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

### **Report on Form and Content in Compliance With DOL Rules and Regulations 2013**

The form and content of the information included in the 2013 financial statements and supplemental schedule, other than that derived from the information certified by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Erickson Brown & Kloster, P.C.*

Colorado Springs, Colorado  
October 9, 2014

**OUTREACH, INC. 401(K) RETIREMENT PLAN**  
***Statements of Net Assets Available for Benefits***  
***December 31, 2013 and 2012***

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Investments at fair value:		
Money market account - cash	\$ 102,376	\$ 199,011
Mutual funds	<u>2,006,873</u>	<u>1,667,429</u>
	<u>2,109,249</u>	<u>1,866,440</u>
Receivables:		
Employer's contributions	3,578	-
Participants' contributions	8,752	-
Notes receivable from participants	<u>50,393</u>	<u>32,615</u>
	<u>62,723</u>	<u>32,615</u>
<b>Net assets available for benefits</b>	<u><u>\$ 2,171,972</u></u>	<u><u>\$ 1,899,055</u></u>

See accompanying notes

**OUTREACH, INC. 401(K) RETIREMENT PLAN**  
**Statements of Changes in Net Assets Available for Benefits**  
**Years ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Additions:</b>		
<b>Investment income:</b>		
Dividends	\$ 58,102	\$ -
Net appreciation in fair value of investments	<u>297,492</u>	<u>163,367</u>
	<u>355,594</u>	<u>163,367</u>
Interest income on notes receivable from participants	<u>1,410</u>	<u>1,714</u>
<b>Contributions:</b>		
Employer	52,607	40,564
Participants	96,848	82,388
Rollovers	<u>57,186</u>	<u>144,176</u>
	<u>206,641</u>	<u>267,128</u>
<b>Total additions</b>	<u>563,645</u>	<u>432,209</u>
<b>Deductions:</b>		
Benefits paid to participants	254,331	324,538
Administrative expenses	<u>36,397</u>	<u>34,986</u>
<b>Total deductions</b>	<u>290,728</u>	<u>359,524</u>
<b>Net increase</b>	272,917	72,685
<b>Net assets available for benefits:</b>		
Beginning of year	<u>1,899,055</u>	<u>1,826,370</u>
End of year	<u><u>\$ 2,171,972</u></u>	<u><u>\$ 1,899,055</u></u>

See accompanying notes

## **OUTREACH, INC. 401(K) RETIREMENT PLAN**

### ***Notes to Financial Statements***

#### **1. DESCRIPTION OF PLAN**

The following description of ***Outreach, Inc. 401(k) Retirement Plan*** (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

##### ***General***

The Plan is a defined contribution plan with a 401(k) feature that covers all eligible employees of Outreach, Inc. (the Company). Employees are eligible to make contributions to the Plan after one month of service and attainment of age 21. Employees are eligible to receive the Company's contributions upon completion of six months of service and attainment of age 21. The Plan provides for monthly entry dates. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan administrator and the Plan trustee are responsible for oversight of the Plan and they determine the appropriateness of the Plan's investment offerings and monitor investment performance.

##### ***Contributions***

Participants may contribute up to 100% of compensation each year not to exceed the maximum allowed by law. Participants who have obtained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollovers).

During 2012 and through October 31, 2013, the Company could make discretionary matching contributions and discretionary nonelective contributions. During this period, there were no matching contributions made and the Company made a nonelective contribution of 1% of eligible participant's compensation.

Beginning November 1, 2013, the Company makes a basis contribution equal to 1% of eligible participant's compensation. There are no other types of Company contributions.

Participants direct the investment of their contributions and the Company contributions through various investment options offered by the Plan.

##### ***Participant accounts***

Each participant's account is credited with the participant's contributions, the Company's contributions and allocations of Plan earnings. Participant accounts are charged with an allocation of administrative and investment expenses that are paid by the Plan. Allocations are based on participant's earnings or account balances, or specific participant transactions as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

##### ***Vesting***

Participants are immediately vested in their contributions as well as the Company's contributions, plus actual earnings thereon.

## **1. DESCRIPTION OF PLAN (continued)**

### ***Notes receivable from participants***

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at 4.25%, which is commensurate with interest rates charged for similar types of loans by other lenders as determined by the Plan administrator. Principal and interest is paid ratably through payroll deductions.

### ***Payment of benefits***

During 2012 and through October 31, 2013, upon termination of service or retirement a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in his or her account or postpone the payment of benefits. If a participant's vested account balance is less than or equal to \$1,000 the participant will automatically receive a single lump sum payment. Upon death, the participant beneficiaries will receive a single lump sum payment.

Beginning November 1, 2013, upon termination of service or retirement a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, installments over a period selected, an annuity or postpone the payment of benefits. If a participant's vested account balance is less than or equal to \$5,000, excluding rollover contributions and earnings thereon, the participant will automatically receive a single lump sum payment. Upon death, the participant's beneficiaries will receive an annuity. If the participant's beneficiaries waive the annuity, then the beneficiaries will receive a single lump sum.

### ***Plan amendments***

Effective November 1, 2013, The Plan adopted a new Plan document as described in Note 8.

## **2. SUMMARY OF ACCOUNTING POLICIES**

### ***Basis of accounting***

The financial statements of the Plan are prepared under the accrual method of accounting.

### ***Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.



## **2. SUMMARY OF ACCOUNTING POLICIES (continued)**

### ***Investment valuation and income recognition***

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan administrator determines the Plan's valuation policies utilizing information provided by the Plan's investment advisors and custodians. See Note 5 for discussion of fair value measurements.

Purchases of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### ***Notes receivable from participants***

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### ***Payment of benefits***

Benefits are recorded when paid.

### ***Administrative expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements.

## **3. INFORMATION PREPARED AND CERTIFIED TO BY THE CUSTODIANS**

The following information included in the accompanying financial statements and the supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the custodians.

	2013	2012
Investments at fair value:		
Money market account – cash	\$ 102,376	\$ 199,011
Mutual funds	2,006,873	1,667,429
Dividends	58,102	-
Net appreciation in fair value of investments	297,492	163,367

#### 4. INVESTMENTS

At December 31, 2013 and 2012 the fair value of individual investments that represent 5% or more of the Plan's net assets are as follows:

***December 31, 2013:***

Harbor Bond Instl Fund	\$ 461,751
Oakmark I Fund	423,096
T. Rowe Price Small-Cap Value Fund	229,654
Thornburg International Value R5 Fund	312,606

***December 31, 2012:***

Nationwide Funds: Money Market	\$ 199,011
Invesco Funds: Eq Inc A	159,281
Franklin Templeton Funds: Balanced Sheet	125,727
Oppenheimer Funds: Global Opportunity	114,648

During 2013 and 2012, the Plan's investments (including gains and losses on investments sold, as well as held during the year) appreciated in value by \$297,492 and 163,367, respectively.

Cash consists of an amount on deposit in a money market fund which is not insured by the Federal Deposit Insurance Corporation.

#### 5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2      Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

## **5. FAIR VALUE MEASUREMENTS (continued)**

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Mutual fund's held by the Plan are deemed to be actively traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation method is appropriate and consistent with other market participants, 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.

At December 31, 2013 and 2012, the Plan's investments in mutual funds of \$2,006,873 and \$1,667,429, respectively, were measured at fair value on a recurring basis using level 1 inputs.

## **6. PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments were managed by Nationwide Financial Service, Inc., the previous custodian of the Plan, which qualifies these transactions as party-in-interest transactions. Administrative and investment fees incurred by the Plan to Nationwide Financial Services, Inc. totaled \$21,580 and \$23,450 for the years ended December 31, 2013 and 2012, respectively. During the year ended December 31, 2013, The Plan made a direct payment of \$8,017 to the third party administrator for contract administration and \$6,800 to an investment manager. The Company also pays certain administrative fees for the Plan, which are not reimbursed. In addition the Company provides administrative services to the Plan at no cost to the Plan.

## **7. PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

## 8. TAX STATUS

Effective November 1, 2013, the Plan has adopted a new Plan document and related trust that is pending Internal Revenue Service (IRS) approval. The Plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Prior to November 1, 2013, the Plan operated based on a Sunguard Corbel Volume Submitter Profit Sharing Plan with CODA plan document, which received its latest notification letter on March 31, 2008, in which the IRS stated that the Plan document and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code. The Plan document has been amended since this notification letter. However, the Plan administrator believes that the Plan and related trust was designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS and, or the Department of Labor. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

## 9. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of the net assets available for benefits per the financial statements at December 31, 2013 and 2012 to schedule H of Form 5500:

	2013	2012
Net assets available for benefits per the financial statements	\$ 2,171,972	\$ 1,899,055
Subtract receivables from employer and participants	(12,330)	-
Net assets available for benefits per schedule H of Form 5500 (reported on cash basis)	<u>\$ 2,159,642</u>	<u>\$ 1,899,055</u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements for the years ended December 31, 2013 and 2012 to schedule H of Form 5500:

	2013	2012
Net increase in net assets available for benefits per the financial statements	\$ 272,917	\$ 72,685
Subtract current year receivables	(12,330)	-
Net income per schedule H of Form 5500 (reported on cash basis)	<u>\$ 260,587</u>	<u>\$ 72,685</u>

## **10. RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## **11. EVALUATION OF SUBSEQUENT EVENTS**

The Plan management has evaluated subsequent events through the date of the attached independent auditors' report, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.

## **SUPPLEMENTAL SCHEDULE**

# OUTREACH, INC. 401(K) RETIREMENT PLAN

**EIN:33-0863910 Plan No.: 001**

**Schedule H, Line 4i - Schedule of Assets (Held at End of Year)**

**December 31, 2013**

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
	American Funds Money Market R3	Money market account	\$ 102,376
	AdvisorOne Amerigo	Mutual fund	38,582
	AdvisorOne Berolina	Mutual fund	11,731
	AdvisorOne Clermont	Mutual fund	11,551
	AdvisorOne Descartes	Mutual fund	16,067
	AdvisorOne Enhanced Income	Mutual fund	677
	AdvisorOne Flexible Income	Mutual fund	1,204
	AdvisorOne Liahona Fund	Mutual fund	12,226
	AdvisorOne Select Appreciation	Mutual fund	14,215
	Aston/River Road Dividend All Cap Value	Mutual fund	21,646
	Aston/River Road Independent	Mutual fund	16,102
	Blackrock Inflation Protected Bond	Mutual fund	5,200
	Champlain Mid Cap Adv	Mutual fund	11,048
	DoubleLine Total Return Bond	Mutual fund	15,785
	FMI Large Cap	Mutual fund	43,954
	Harbor Bond Instl	Mutual fund	461,751
	Harbor High Yield Bond Inv	Mutual fund	10,706
	Harding Loevner Emerging Markets Advisor	Mutual fund	13,308
	IVA Worldwide A	Mutual fund	34,745
	JPMorgan Large Cap Growth Select	Mutual fund	149
	Meeder Aggressive Growth	Mutual fund	55,958
	Meeder Balanced	Mutual fund	1,506
	Meeder Dynamic Growth	Mutual fund	92,981
	Meeder Focused Growth	Mutual fund	18,412
	Meeder Muirfield	Mutual fund	192
	Meeder Quantex	Mutual fund	9,251
	Meeder Utilities and Infrastructure	Mutual fund	9,218
	Meeder Total Return Bond	Mutual fund	2,724
	Oakmark I	Mutual fund	423,096
	Oakmark International I	Mutual fund	21,431
	PIMCO Commodity Real Return Strategy D	Mutual fund	10,692
	PIMCO Total Return D	Mutual fund	18,348
	T. Rowe Price Small-Cap Value	Mutual fund	229,654
	Templeton Global Total Return A	Mutual fund	13,376
	Arbitrage R	Mutual fund	15,982
	Third Avenue Real Estate Value Investor	Mutual fund	8,001
	Thornburg International Value R5	Mutual fund	312,606
	Vanguard 500 Index Inv	Mutual fund	17,330
	Vanguard Growth & Income Inv	Mutual fund	106
	Vanguard Mid Cap Index Inv	Mutual fund	5,281
	Vanguard Total Bond Market Index Inv	Mutual fund	81
*	Participant loans	Secured by account balances, interest rate 4.25%, various maturity dates	50,393
<b>Total assets held for investment purposes</b>			<b>\$ 2,159,642</b>

\* Party in interest

Note: Investments are participant-directed, therefore, Column (d) Cost is omitted.

**OUTREACH, INC. 401(K)  
RETIREMENT PLAN**

**FINANCIAL STATEMENTS**

**December 31, 2013 and 2012**



# **OUTREACH, INC. 401(K) RETIREMENT PLAN**

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**Erickson, Brown & Kloster, P.C.**  
*Certified Public Accountants*

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E-mail: ebk@ebkcpa.com

## ***INDEPENDENT AUDITORS' REPORT***

To the Plan Administrator of  
***Outreach, Inc. 401(k) Retirement Plan***

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of ***Outreach, Inc. 401(k) Retirement Plan*** (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Nationwide Financial Services, Inc. and MG Trust Company, LLC, the custodians of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that MG Trust Company, LLC held the Plan's investment assets and executed investment transactions from November 1, 2013 to December 31, 2013, and that Nationwide Financial Services, Inc. held the investment assets and executed investment transactions as of December 31, 2012 and for the period January 1, 2013 to October 31, 2013. The Plan administrator has obtained certifications from the custodians as of and for the year ended December 31, 2013, that the information provided to the Plan administrator by the custodians is complete and accurate.

### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

### **Other Matter – Supplemental Schedule**

The supplemental schedule of assets (held at year end), is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

### **Other Matter – 2012 Financial Statements**

The financial statements of the Plan as of December 31, 2012, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Nationwide Financial Services Inc., the custodian of the Plan. Their report, dated August 8, 2013, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

### **Report on Form and Content in Compliance With DOL Rules and Regulations 2013**

The form and content of the information included in the 2013 financial statements and supplemental schedule, other than that derived from the information certified by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Erickson Brown & Kloster, P.C.*

Colorado Springs, Colorado  
October 9, 2014

**OUTREACH, INC. 401(K) RETIREMENT PLAN**  
***Statements of Net Assets Available for Benefits***  
***December 31, 2013 and 2012***

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Investments at fair value:		
Money market account - cash	\$ 102,376	\$ 199,011
Mutual funds	<u>2,006,873</u>	<u>1,667,429</u>
	<u>2,109,249</u>	<u>1,866,440</u>
Receivables:		
Employer's contributions	3,578	-
Participants' contributions	8,752	-
Notes receivable from participants	<u>50,393</u>	<u>32,615</u>
	<u>62,723</u>	<u>32,615</u>
<b>Net assets available for benefits</b>	<u><u>\$ 2,171,972</u></u>	<u><u>\$ 1,899,055</u></u>

See accompanying notes

**OUTREACH, INC. 401(K) RETIREMENT PLAN**  
**Statements of Changes in Net Assets Available for Benefits**  
**Years ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Additions:</b>		
<b>Investment income:</b>		
Dividends	\$ 58,102	\$ -
Net appreciation in fair value of investments	<u>297,492</u>	<u>163,367</u>
	<u>355,594</u>	<u>163,367</u>
Interest income on notes receivable from participants	<u>1,410</u>	<u>1,714</u>
<b>Contributions:</b>		
Employer	52,607	40,564
Participants	96,848	82,388
Rollovers	<u>57,186</u>	<u>144,176</u>
	<u>206,641</u>	<u>267,128</u>
<b>Total additions</b>	<u>563,645</u>	<u>432,209</u>
<b>Deductions:</b>		
Benefits paid to participants	254,331	324,538
Administrative expenses	<u>36,397</u>	<u>34,986</u>
<b>Total deductions</b>	<u>290,728</u>	<u>359,524</u>
<b>Net increase</b>	272,917	72,685
<b>Net assets available for benefits:</b>		
Beginning of year	<u>1,899,055</u>	<u>1,826,370</u>
End of year	<u><u>\$ 2,171,972</u></u>	<u><u>\$ 1,899,055</u></u>

See accompanying notes

# **OUTREACH, INC. 401(K) RETIREMENT PLAN**

## ***Notes to Financial Statements***

### **1. DESCRIPTION OF PLAN**

The following description of ***Outreach, Inc. 401(k) Retirement Plan*** (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### ***General***

The Plan is a defined contribution plan with a 401(k) feature that covers all eligible employees of Outreach, Inc. (the Company). Employees are eligible to make contributions to the Plan after one month of service and attainment of age 21. Employees are eligible to receive the Company's contributions upon completion of six months of service and attainment of age 21. The Plan provides for monthly entry dates. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan administrator and the Plan trustee are responsible for oversight of the Plan and they determine the appropriateness of the Plan's investment offerings and monitor investment performance.

#### ***Contributions***

Participants may contribute up to 100% of compensation each year not to exceed the maximum allowed by law. Participants who have obtained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollovers).

During 2012 and through October 31, 2013, the Company could make discretionary matching contributions and discretionary nonelective contributions. During this period, there were no matching contributions made and the Company made a nonelective contribution of 1% of eligible participant's compensation.

Beginning November 1, 2013, the Company makes a basis contribution equal to 1% of eligible participant's compensation. There are no other types of Company contributions.

Participants direct the investment of their contributions and the Company contributions through various investment options offered by the Plan.

#### ***Participant accounts***

Each participant's account is credited with the participant's contributions, the Company's contributions and allocations of Plan earnings. Participant accounts are charged with an allocation of administrative and investment expenses that are paid by the Plan. Allocations are based on participant's earnings or account balances, or specific participant transactions as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

#### ***Vesting***

Participants are immediately vested in their contributions as well as the Company's contributions, plus actual earnings thereon.

## **1. DESCRIPTION OF PLAN (continued)**

### ***Notes receivable from participants***

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at 4.25%, which is commensurate with interest rates charged for similar types of loans by other lenders as determined by the Plan administrator. Principal and interest is paid ratably through payroll deductions.

### ***Payment of benefits***

During 2012 and through October 31, 2013, upon termination of service or retirement a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in his or her account or postpone the payment of benefits. If a participant's vested account balance is less than or equal to \$1,000 the participant will automatically receive a single lump sum payment. Upon death, the participant beneficiaries will receive a single lump sum payment.

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### ***Plan amendments***

Effective November 1, 2013, The Plan adopted a new Plan document as described in Note 8.

## **2. SUMMARY OF ACCOUNTING POLICIES**

### ***Basis of accounting***

The financial statements of the Plan are prepared under the accrual method of accounting.

### ***Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

## **2. SUMMARY OF ACCOUNTING POLICIES (continued)**

### ***Investment valuation and income recognition***

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan administrator determines the Plan's valuation policies utilizing information provided by the Plan's investment advisors and custodians. See Note 5 for discussion of fair value measurements.

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### ***Notes receivable from participants***

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

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Benefits are recorded when paid.

### ***Administrative expenses***

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements.

## **3. INFORMATION PREPARED AND CERTIFIED TO BY THE CUSTODIANS**

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Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2      Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

## **5. FAIR VALUE MEASUREMENTS (continued)**

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Mutual fund's held by the Plan are deemed to be actively traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation method is appropriate and consistent with other market participants, 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.

At December 31, 2013 and 2012, the Plan's investments in mutual funds of \$2,006,873 and \$1,667,429, respectively, were measured at fair value on a recurring basis using level 1 inputs.

## **6. PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments were managed by Nationwide Financial Service, Inc., the previous custodian of the Plan, which qualifies these transactions as party-in-interest transactions. Administrative and investment fees incurred by the Plan to Nationwide Financial Services, Inc. totaled \$21,580 and \$23,450 for the years ended December 31, 2013 and 2012, respectively. During the year ended December 31, 2013, The Plan made a direct payment of \$8,017 to the third party administrator for contract administration and \$6,800 to an investment manager. The Company also pays certain administrative fees for the Plan, which are not reimbursed. In addition the Company provides administrative services to the Plan at no cost to the Plan.

## **7. PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

## 8. TAX STATUS

Effective November 1, 2013, the Plan has adopted a new Plan document and related trust that is pending Internal Revenue Service (IRS) approval. The Plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Prior to November 1, 2013, the Plan operated based on a Sunguard Corbel Volume Submitter Profit Sharing Plan with CODA plan document, which received its latest notification letter on March 31, 2008, in which the IRS stated that the Plan document and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code. The Plan document has been amended since this notification letter. However, the Plan administrator believes that the Plan and related trust was designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS and, or the Department of Labor. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

## 9. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of the net assets available for benefits per the financial statements at December 31, 2013 and 2012 to schedule H of Form 5500:

	2013	2012
Net assets available for benefits per the financial statements	\$ 2,171,972	\$ 1,899,055
Subtract receivables from employer and participants	(12,330)	-
Net assets available for benefits per schedule H of Form 5500 (reported on cash basis)	<u>\$ 2,159,642</u>	<u>\$ 1,899,055</u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements for the years ended December 31, 2013 and 2012 to schedule H of Form 5500:

	2013	2012
Net increase in net assets available for benefits per the financial statements	\$ 272,917	\$ 72,685
Subtract current year receivables	(12,330)	-
Net income per schedule H of Form 5500 (reported on cash basis)	<u>\$ 260,587</u>	<u>\$ 72,685</u>

## **10. RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## **11. EVALUATION OF SUBSEQUENT EVENTS**

The Plan management has evaluated subsequent events through the date of the attached independent auditors' report, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.

## **SUPPLEMENTAL SCHEDULE**

# OUTREACH, INC. 401(K) RETIREMENT PLAN

**EIN:33-0863910 Plan No.: 001**

**Schedule H, Line 4i - Schedule of Assets (Held at End of Year)**

**December 31, 2013**

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
	American Funds Money Market R3	Money market account	\$ 102,376
	AdvisorOne Amerigo	Mutual fund	38,582
	AdvisorOne Berolina	Mutual fund	11,731
	AdvisorOne Clermont	Mutual fund	11,551
	AdvisorOne Descartes	Mutual fund	16,067
	AdvisorOne Enhanced Income	Mutual fund	677
	AdvisorOne Flexible Income	Mutual fund	1,204
	AdvisorOne Liahona Fund	Mutual fund	12,226
	AdvisorOne Select Appreciation	Mutual fund	14,215
	Aston/River Road Dividend All Cap Value	Mutual fund	21,646
	Aston/River Road Independent	Mutual fund	16,102
	Blackrock Inflation Protected Bond	Mutual fund	5,200
	Champlain Mid Cap Adv	Mutual fund	11,048
	DoubleLine Total Return Bond	Mutual fund	15,785
	FMI Large Cap	Mutual fund	43,954
	Harbor Bond Instl	Mutual fund	461,751
	Harbor High Yield Bond Inv	Mutual fund	10,706
	Harding Loevner Emerging Markets Advisor	Mutual fund	13,308
	IVA Worldwide A	Mutual fund	34,745
	JPMorgan Large Cap Growth Select	Mutual fund	149
	Meeder Aggressive Growth	Mutual fund	55,958
	Meeder Balanced	Mutual fund	1,506
	Meeder Dynamic Growth	Mutual fund	92,981
	Meeder Focused Growth	Mutual fund	18,412
	Meeder Muirfield	Mutual fund	192
	Meeder Quantex	Mutual fund	9,251
	Meeder Utilities and Infrastructure	Mutual fund	9,218
	Meeder Total Return Bond	Mutual fund	2,724
	Oakmark I	Mutual fund	423,096
	Oakmark International I	Mutual fund	21,431
	PIMCO Commodity Real Return Strategy D	Mutual fund	10,692
	PIMCO Total Return D	Mutual fund	18,348
	T. Rowe Price Small-Cap Value	Mutual fund	229,654
	Templeton Global Total Return A	Mutual fund	13,376
	Arbitrage R	Mutual fund	15,982
	Third Avenue Real Estate Value Investor	Mutual fund	8,001
	Thornburg International Value R5	Mutual fund	312,606
	Vanguard 500 Index Inv	Mutual fund	17,330
	Vanguard Growth & Income Inv	Mutual fund	106
	Vanguard Mid Cap Index Inv	Mutual fund	5,281
	Vanguard Total Bond Market Index Inv	Mutual fund	81
*	Participant loans	Secured by account balances, interest rate 4.25%, various maturity dates	50,393
<b>Total assets held for investment purposes</b>			<b>\$ 2,159,642</b>

\* Party in interest

Note: Investments are participant-directed, therefore, Column (d) Cost is omitted.

## **SUPPLEMENTAL SCHEDULE**

# OUTREACH, INC. 401(K) RETIREMENT PLAN

**EIN:33-0863910 Plan No.: 001**

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