
DENVER INNER CITY PARISH, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

Years Ended June 30, 2012 and 2011

Haskins & Associates, P.C.

Certified Public Accountants

6855 South Havana Street, Suite 580

Centennial, CO 80112-3868

303-779-5034

www.denvercpafirm.com

DENVER INNER CITY PARISH, INC.

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Statements of Financial Position as of June 30, 2012 and 2011	2
Statements of Activities for the Years Ended June 30, 2012 and 2011	3
Statements of Cash Flows for the Years Ended June 30, 2012 and 2011	4
Statements of Functional Expenses for the Years Ended June 30, 2012 and 2011	5
Notes to Financial Statements	6

Haskins & Associates, P.C.
Certified Public Accountants

Stephen P. Haskins, CPA
Sandra L. Shaneyfelt, CPA

6855 South Havana Street, Suite 580
Centennial, CO 80112-3868
303-779-5034 • Fax 303-779-0314
www.denvercpafirm.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Denver Inner City Parish, Inc.
Denver, Colorado

We have audited the accompanying statements of financial position of the Denver Inner City Parish, Inc., a Colorado nonprofit corporation, as of June 30, 2012 and 2011 and the related statements of activities, functional expenses (comparative totals only for 2011) and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Denver Inner City Parish, Inc. as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Haskins & Associates, P.C.

Greenwood Village, Colorado
April 2, 2013

DENVER INNER CITY PARISH, INC.
Statements of Financial Position
June 30,

ASSETS

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 21,144	\$ 119,322
Accounts receivable	9,045	9,397
Grants receivable	-	11,111
Promises to give	100,000	25,000
Total Current Assets	130,189	164,830
INVESTMENTS	215,276	286,954
PROPERTY AND EQUIPMENT		
Land	16,000	16,000
Buildings and improvements	1,523,088	1,523,088
Furniture, fixtures and equipment	89,829	106,409
Vehicles	27,560	34,353
	1,656,477	1,679,850
Less: Accumulated depreciation	983,289	979,594
Total Property and Equipment	673,188	700,256
OTHER ASSETS		
Funds advanced to Historic Denver	51,689	-
Security deposit	1,000	-
	52,689	-
Total Current Assets		
Total Assets	\$ 1,071,342	\$ 1,152,040

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 94,586	\$ 77,227
Payroll liabilities	15,666	52,937
Security deposits	2,527	2,527
Total Current Liabilities	112,779	132,691
NET ASSETS		
Unrestricted	591,598	604,964
Temporarily Restricted	366,965	414,385
Total Net Assets	958,563	1,019,349
Total Liabilities and Net Assets	\$ 1,071,342	\$ 1,152,040

The accompanying notes are an integral part of this statement.

DENVER INNER CITY PARISH, INC.
Statements of Activities
Years Ended June 30,

	<u>2012</u>			<u>2011</u>		
	Unrestricted	Temporarily Restricted	Combined Total	Unrestricted	Temporarily Restricted	Combined Total
SUPPORT AND REVENUE						
Federal and state awards	\$ 81,428	\$ -	\$ 81,428	\$ 127,383	\$ -	\$ 127,383
Contributions and grants	1,285,257	141,689	1,426,946	767,653	376,954	1,144,607
Special events, net	64,921	-	64,921	62,822	-	62,822
Program income	129,934	-	129,934	269,997	-	269,997
In-kind contributions	610,752	-	610,752	492,286	-	492,286
Rental income	29,064	-	29,064	33,871	-	33,871
Investment income	(1,658)	-	(1,658)	3,110	-	3,110
Miscellaneous income	25,789	-	25,789	24,379	-	24,379
Net assets released from restrictions	189,109	(189,109)	-	37,431	(37,431)	-
Total Support and Revenue	<u>2,414,596</u>	<u>(47,420)</u>	<u>2,367,176</u>	<u>1,818,932</u>	<u>339,523</u>	<u>2,158,455</u>
EXPENSES						
Program services						
La Academia	547,653	-	547,653	535,644	-	535,644
Parish Seniors	90,682	-	90,682	81,554	-	81,554
Spiritual Development	78,398	-	78,398	74,658	-	74,658
Summer Programs	113,067	-	113,067	104,049	-	104,049
Emergency Family Services	91,140	-	91,140	101,733	-	101,733
Project Renew	300,852	-	300,852	197,825	-	197,825
Young Fathers	1,961	-	1,961	3,083	-	3,083
We Don't Waste.com	-	-	-	55,210	-	55,210
College View	238,750	-	238,750	111,107	-	111,107
In-kind contributions	602,752	-	602,752	483,286	-	483,286
Sub-lease expenses	59,418	-	59,418	44,244	-	44,244
Total Program Services	<u>2,124,673</u>	<u>-</u>	<u>2,124,673</u>	<u>1,792,393</u>	<u>-</u>	<u>1,792,393</u>
Supporting Services						
General and administrative	110,852	-	110,852	143,769	-	143,769
Fundraising	192,437	-	192,437	115,310	-	115,310
Total Supporting Services	<u>303,289</u>	<u>-</u>	<u>303,289</u>	<u>259,079</u>	<u>-</u>	<u>259,079</u>
Total Expenses	<u>2,427,962</u>	<u>-</u>	<u>2,427,962</u>	<u>2,051,472</u>	<u>-</u>	<u>2,051,472</u>
Increase (Decrease) in Net Assets	<u>(13,366)</u>	<u>(47,420)</u>	<u>(60,786)</u>	<u>(232,540)</u>	<u>339,523</u>	<u>106,983</u>
Net Assets at Beginning of Year	<u>604,964</u>	<u>414,385</u>	<u>1,019,349</u>	<u>837,504</u>	<u>74,862</u>	<u>912,366</u>
Net Assets at End of Year	<u>\$ 591,598</u>	<u>\$ 366,965</u>	<u>\$ 958,563</u>	<u>\$ 604,964</u>	<u>\$ 414,385</u>	<u>\$ 1,019,349</u>

The accompanying notes are an integral part of this statement.

DENVER INNER CITY PARISH, INC.
Statements of Cash Flows
Years Ended June 30,

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (60,786)	\$ 106,983
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Non-cash capitalized asset	-	(9,000)
Depreciation	48,800	47,417
Loss on sale of assets	7,243	-
(Increase) decrease in:		
Accounts receivable	352	21,684
Grants receivable	11,111	93,652
Promises to give	(75,000)	14,800
Security deposits	(1,000)	
Increase (decrease) in:		
Accounts payable	17,359	29,455
Payroll liabilities	(37,271)	25,058
Security deposits	-	(137)
	<u>(89,192)</u>	<u>329,912</u>
Net cash flows provided (used) by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(347,233)	(286,954)
Sale of investments	418,911	
Purchase of furniture, fixtures and equipment	(28,975)	-
Funds advanced to Historic Denver	(51,689)	-
	<u>(8,986)</u>	<u>(286,954)</u>
Net cash flows used by investing activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(98,178)	42,958
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>119,322</u>	<u>76,364</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 21,144</u>	<u>\$ 119,322</u>

The accompanying notes are an integral part of this statement.

DENVER INNER CITY PARISH, INC.
Statements of Functional Expenses
Years Ended June 30,

	2012													2011
	La Academia	Parish Seniors	Spiritual Development	Summer & After-School Programs	Emergency Family Services & Community Support	Project Renew	Young Fathers	General and Administrative	Fundraising	College View	Sub-Lease Expenses	In-Kind Contributions	Total	Totals Only
Salaries	\$ 323,874	\$ 50,688	\$ 42,823	\$ 60,784	\$ 20,806	\$ 115,688	\$ 1,884	\$ 34,793	\$ 127,244	\$ 149,120	\$ 20,208	\$ -	\$ 947,912	\$ 903,076
Employee benefits and payroll taxes	89,410	6,151	9,745	11,879	6,740	30,567	29	22,429	23,012	20,813	6,583	-	227,358	168,382
Total salaries and related expenses	413,284	56,839	52,568	72,663	27,546	146,255	1,913	57,222	150,256	169,933	26,791	-	1,175,270	1,071,458
Building repairs and maintenance	13,606	2,296	1,531	3,401	3,061	3,716	-	765	383	5,162	5,357	-	39,278	46,267
Utilities and other occupancy	13,067	3,192	2,128	3,266	24,490	99,527	-	1,064	532	10,859	7,449	139,000	304,574	168,219
Telephone	9,610	1,381	1,381	1,068	2,071	2,762	-	3,452	2,762	-	-	-	24,487	15,930
Program supplies	372	-	445	4,053	11,996	350	-	-	-	640	-	159,173	177,029	120,381
Field trips and other activities	15,179	9,031	45	1,064	-	-	-	-	-	26,698	-	-	52,017	35,801
Food and related supplies	22,010	1,211	1,842	7,372	386	-	-	325	-	2,043	-	304,579	339,768	307,666
Office supplies and postage	1,943	693	1,484	693	758	693	43	3,597	8,169	4,200	2,903	-	25,176	17,414
Printing and copier	1,731	1,731	2,884	1,442	1,442	2,163	-	2,884	10,816	1,353	2,884	-	29,330	22,561
Equipment rental and maintenance	6,509	6,509	-	6,509	9,763	-	-	-	-	3,490	-	-	32,780	35,709
Insurance	3,068	1,512	1,032	714	1,893	1,453	5	551	564	4,392	3,270	-	18,454	24,604
Professional and other outside services	12,775	2,518	9,597	3,193	3,193	12,318	-	9,073	399	113	5,588	-	58,767	37,674
Community Fund	-	-	-	-	-	-	-	11,090	-	-	-	-	11,090	14,464
Direct services	-	-	-	-	-	23,554	-	-	-	-	-	-	23,554	11,655
Other expenses	8,022	1,488	2,379	1,389	1,389	6,708	-	17,001	18,285	9,538	1,389	-	67,588	66,457
Expenses before depreciation	521,176	88,401	77,316	106,827	87,988	299,499	1,961	107,024	192,166	238,421	55,631	602,752	2,379,162	2,004,055
Depreciation expense	26,477	2,281	1,082	6,240	3,152	1,353	-	3,828	271	329	3,787	-	48,800	47,417
Total Expenses	\$ 547,653	\$ 90,682	\$ 78,398	\$ 113,067	\$ 91,140	\$ 300,852	\$ 1,961	\$ 110,852	\$ 192,437	\$ 238,750	\$ 59,418	\$ 602,752	\$ 2,427,962	\$ 2,051,472

The accompanying notes are an integral part of this statement

DENVER INNER CITY PARISH, INC.

Notes to Financial Statements

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

A. Organization

In 1960, Denver Inner City Parish, Inc. (the "Parish") was founded to provide basic human and educational services to the low-income residents of West Denver, a mostly Hispanic/Latino community. "*Because community makes all the difference, Denver Inner City Parish will work to serve and strengthen ours.*"-Denver Inner City Parish mission statement.

B. Program Services:

The program activities of Denver Inner City Parish, Inc. include:

La Academia - A private school serving at-risk youth by providing quality classroom work with an emphasis on responsibility and high expectations. Approximately sixty-five youths in grades 7-12 were enrolled during the year ended June 30, 2012.

Parish Seniors - This program serves an active client base of over 150 participants. In addition to monthly field trips that combat feelings of isolation, seventy-five to one hundred seniors receive nutritious meals and health monitoring services.

Spiritual Development –Spiritual development includes pastoral care, community worship, bible study, prison ministry, and vacation bible school. An average of seventy-five people of all ages attend the non-denominational church services.

Summer Day Camp – Fifty children were enrolled in a full day all summer program; activities include arts and crafts, recreation, meals and field trips.

Summer Free Lunch Program – The free lunch program provides free meals for breakfast and lunch for up to three hundred children during the summer months.

Emergency Family Services - This program provides deserving recipients a three-day supply of emergency food assistance. In addition, it distributes food and gift baskets during the holidays. Approximately 10,000 individuals were supplied food assistance during the year ended June 30, 2012.

Community services-F.E.R.N. - Through a \$90,000 grant, the Parish became the lead agency for a food bank collaborative project which opened for business in October 2011. Partnering with three other food banks, a building warehouse was secured which allows the storage of food for all four organizations.

DENVER INNER CITY PARISH, INC.
Notes to Financial Statements (Continued)

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Project Renew – Project Renew is part of the Parish’s prison ministry. The program is designed to help persons who have been in the correctional system to integrate into society. Approximately 250 individuals participated in the program. This program also includes a men’s sober living facility which provided lodging for 36 men who were enrolled in the drug and alcohol recovery program for the year ended June 30, 2012.

Young Fathers – The program offers opportunities for young fathers and children to gain interactive skills by reading together, creating art projects together and playing cooperative games together as well as working on parenting skills. A core group of eleven participants were involved in the program.

We Don’t Waste – A program which was committed to providing additional healthy, nutritional food to members of the community during the year ended June 30, 2011.

College View Recreation Center – A cooperative agreement with the City and County of Denver Parks and Recreation Center to utilize and provide programs at the College View Recreation Center. Approximately 4,000 individuals participated in the program.

C. Supporting Services

General and Administrative - The process of providing overall direction of the Parish's affairs.

Fundraising – Includes activities to secure increased support for the Parish's program services.

D. Basis of Accounting

The Parish's accounting records are prepared on the accrual basis of accounting.

E. Basis of Presentation

Under FASB ASC 958-205, the Parish is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

F. Restricted and Unrestricted Revenue and Support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

DENVER INNER CITY PARISH, INC.
Notes to Financial Statements (Continued)

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Promises to Give

Unconditional promises to give are recognized as revenue in the period in which the promise is made. Promises of support extending more than one year beyond the balance sheet date are discounted using a risk-free rate of return. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

H. Functional Allocation

All expenses have been classified by functional categories according to the activity directly benefited. Certain expenses, including payroll, utilities, depreciation and various other expenses, have been allocated to the various functions based on estimates of usage and time involved.

Beginning in April of 2004 the Parish started leasing a 10,500 sq. ft. community center at 1212 Mariposa Street, from the Denver Housing Authority. The Parish uses approximately 80% of the office area for its own programs. The remaining 20% of the office area is rented out to community based non-profit organizations. Accordingly, approximately 20% of the expenses associated with the 1212 Mariposa building are classified as Sub-Leases Expense in the Statements of Functional Expenses.

I. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Parish considers all short-term debt instruments purchased with a maturity of three months or less to be cash equivalents.

J. Investments

The Parish carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

K. Property and Equipment

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line basis.

L. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

M. Income Taxes

The Parish is a tax-exempt organization as defined by the Internal Revenue Code, Section 501(c)(3). Accordingly, no provision has been made for income taxes in the accompanying financial statements. The Parish is not a private foundation under the Internal Revenue Code.

The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2009, 2010 and 2011 are subject to examination by the IRS, generally for three years after they were filed.

DENVER INNER CITY PARISH, INC.
Notes to Financial Statements (Continued)

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Reclassifications

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

NOTE 2 – CONCENTRATION OF CREDIT RISK

The Parish maintains bank accounts in a financial institution located in Denver, Colorado. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2012, there were no uninsured cash balances.

NOTE 3 – INVESTMENTS

Investments of the Parish consist of the following:

	2012		2011	
	Cost	Market	Cost	Market
Money Market Funds	\$ 72,002	\$ 72,002	\$ 156,476	\$ 156,176
Mutual Funds	137,811	143,274	131,001	130,778
	<u>\$ 209,813</u>	<u>\$ 215,276</u>	<u>\$ 287,477</u>	<u>\$ 286,954</u>

NOTE 4 – PROMISES TO GIVE

The promises to give as of June 30, 2012 are unconditional and are due in 2013.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are reserved for the following purposes:

	2012	2011
Food Pantry Partnership collaborative	\$ 10,000	\$ 90,000
State Historical Fund grant	-	37,431
Funds advanced to Historic Denver	51,689	-
Time restricted	90,000	-
College View Recreation Center	35,012	126,986
Reserve Fund	180,264	159,968
	<u>\$ 366,965</u>	<u>\$ 414,385</u>

DENVER INNER CITY PARISH, INC.
Notes to Financial Statements (Continued)

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS (Continued)

The Parish has grants in the amount of \$10,000 which are restricted for the Food Pantry Partnership collaborative.

The Parish has time restricted grants in the amount of \$90,000.

During 2007, the Parish received funding in the amount of \$187,155 through a State Historical Fund grant award from the Colorado Historical Society with the assistance of Historic Denver, Inc. to restore doors, windows, and the exterior of Smith Chapel, located at 910 Galapago Street, Denver, Colorado. Recapture provisions will apply within a five-year period after the completion of the project as follows: if the property is sold within the first year, one hundred percent of the funds awarded shall be returned to the State, with a twenty percent reduction per year thereafter.

This project is also covered by covenants of twenty years on the exterior of the building and thirty years on the windows and doors. These covenants require review and approval of alterations which would impact the architectural appearance of the exterior of the property, adversely affect the structural soundness of the property or encroach on the open land area on the property. The grant required the Parish to provide twenty-five percent of the restoration costs.

The funds advanced to Historic Denver, Inc. in the amount of \$51,689 comprise the match for a contract effective July 1, 2012 –July 1, 2014, between the State of Colorado, Historic Denver, Inc, and the Parish, as property owners, for the interior and exterior rehabilitation of Denver Inner City Parish-Smith's Chapel. As in the prior project various covenants will apply.

In December 2010, the Parish entered into a cooperative agreement with the City and County of Denver, Parks and Recreation Center to utilize and provide programs at the College View Recreation Center. Committed funding for the project has been secured in the amount of up to \$175,000 annually for two years. As of June 30, 2012, the amount restricted for the College View Recreation Center was \$35,012.

During January 2011, the Board established a Reserve Fund which is to be used for the general purpose of ensuring the long-term financial stability of the organization and to position the organization to respond to varying economic conditions and changes affecting the organization's financial position and the ability of the organization to continuously carry out its mission. As of June 30, 2012, the amount restricted by contributors for the Reserve Fund was \$180,264.

DENVER INNER CITY PARISH, INC.
Notes to Financial Statements (Continued)

NOTE 6 – OPERATING LEASE COMMITMENTS

The Parish leases office space to tenants under operating leases with terms of one to four years. The following is a schedule by years of future minimum rentals under the leases at June 30, 2012:

Year Ended June 30,		
2013	\$	13,073
2014		6,000
2015		1,000

NOTE 7 – LEASE COMMITMENTS

The Parish is leasing a building for an eight year term ending September 2019 subject to various covenants and obligations. The lease may be terminated at any time by the landlord if it is determined to be in the best interest of the landlord. As part of the agreement, the Parish is obligated to provide support services and programs for the community including but not limited to, educational and mentoring programs, senior services, case management and employment.

The Parish is leasing a copier and a postage machine under operating leases. At June 30, 2012, future minimum lease payments under these leases have remaining terms in excess of one year as follows:

Year Ended June 30,		
2013	\$	21,852
2014		21,852
2015		21,852
2016		3,642

NOTE 8 – SPECIAL EVENTS

The following schedule summarizes income and expense from special events for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Income	\$ 90,951	\$ 89,363
Expense	<u>26,030</u>	<u>26,541</u>
	<u>\$ 64,921</u>	<u>\$ 62,822</u>

DENVER INNER CITY PARISH, INC.
Notes to Financial Statements (Continued)

NOTE 9 - IN-KIND CONTRIBUTIONS

In-kind contributions (stated at fair value) for the years ended June 30, 2012 and 2011 consisted of donated materials of \$159,173 and \$96,190, donated food of \$304,579 and \$261,096, donated facilities in the amount of \$126,000 for each year. The Parish also received donated utilities in the amount of \$13,000 for the year ended June 30, 2012. In-kind contributions for the year June 30, 2011 also included two donated copiers valued at \$9,000. Services in the amount of \$8,000 were recorded for ministerial services for the year ended June 30, 2012.

NOTE 10 - CONTRIBUTED SERVICES

During the years ended June 30, 2012 and 2011, volunteers donated approximately 16,400 and 18,500 hours of time to the Parish for program and administrative services. Although these services were not recorded in the financial statements because they did not meet the criteria for recognition under FASB ASC 958-605, management estimates their fair value to be approximately \$352,480 and \$395,400, respectively.

NOTE 11 - CONTINGENCIES

The land and building reflected on the balance sheet were donated for use by the Parish in 1963. The deed to the property called for reversion of title to the donor (Board of Trustees of the Rocky Mountain Conference of the United Methodist Church) in the event that the premises were used for other than a church or a church related program. The Parish also could not transfer or encumber title to third parties.

On June 18, 2011, a Quitclaim deed between the Rocky Mountain Conference of the United Methodist Church and the Parish released the property to the Parish.

NOTE 12 – SIGNIFICANT DONORS

An individual donor contributed over 10% of the revenue and support in each year ended June 30, 2012 and 2011.

NOTE 13 - FAIR VALUE MEASUREMENT

Generally accepted accounting principles define fair value, establish a framework for measuring fair value and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

DENVER INNER CITY PARISH, INC.
Notes to Financial Statements (Continued)

NOTE 13 - FAIR VALUE MEASUREMENT (continued)

The following are the major categories of assets and liabilities measured at fair value on a recurring basis as of June 30, 2012:

<u>Description</u>	Level 1: Quoted prices in active markets	Level 2: Internal models with significant observable market parameters	Level 3: Internal models with significant unobservable market parameters	Total at June 30, 2012
Money market funds	\$ 72,002	\$ -	\$ -	\$ 72,002
Mutual funds	143,274	-	-	143,274
	<u>\$ 215,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,276</u>

The following are the major categories of assets and liabilities measured at fair value on a recurring basis as of June 30, 2011:

<u>Description</u>	Level 1: Quoted prices in active markets	Level 2: Internal models with significant observable market parameters	Level 3: Internal models with significant unobservable market parameters	Total at June 30, 2011
Money Market Funds	\$ 156,176	\$ -	\$ -	\$ 156,176
Mutual Funds	130,778	-	-	130,778
	<u>\$ 286,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,954</u>

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 2, 2013, the date the financial statements were available to be issued.