

DENVER INNER CITY PARISH, INC.

FINANCIAL STATEMENTS

For The Years Ended

JUNE 30, 2015 and 2014

DENVER INNER CITY PARISH, INC.

FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
DENVER INNER CITY PARISH, INC.
Denver, Colorado

We have audited the accompanying statement of financial position of Denver Inner City Parish, Inc. (a nonprofit organization) as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the year 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 audit. Information for the year ended June 30, 2014 is presented for comparative purposes only as Richard X. Robinett, C.P.A. did not audit the prior years and therefore does not express an opinion regarding those prior years.

We conducted our audit 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 audit provides 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 Denver Inner City Parish, Inc. as of June 30, 2015 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of expressing an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not required as part of the basic financial statements. Such information has been subjected to the auditing procedure applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Richard Robinett

Richard X. Robinett, C.P.A. LLC
August 19, 2015

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

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current Assets		
Cash and Cash Equivalents	\$ 37,756	\$ 67,659
Accounts Receivable	5,798	-
Grant Receivable	-	171,947
Total Current Assets	<u>43,554</u>	<u>239,606</u>
Non Current Assets		
Investments	<u>54,401</u>	<u>28,019</u>
Total Non Current Assets	<u>54,401</u>	<u>28,019</u>
Property and Equipment		
Land	16,000	16,000
Buildings and Improvements	1,640,591	1,615,712
Furniture, Fixtures and Equipment	60,854	92,320
Vehicles	<u>27,560</u>	<u>27,560</u>
	1,745,006	1,751,592
Less Accumulated Depreciation	<u>(1,131,600)</u>	<u>(1,093,749)</u>
Total Property and Equipment	<u>613,406</u>	<u>657,843</u>
TOTAL ASSETS	<u>\$ 711,361</u>	<u>\$ 925,469</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable	\$13,300	\$ 87,244
Disputed Payable	24,669	24,669
Payroll Liabilities	-	6,801
Short Term Loan	-	19,000
Deferred Advances	105,475	212,528
Security Deposits	<u>2,394</u>	<u>667</u>
Total Current Liabilities	<u>145,838</u>	<u>350,909</u>
Net Assets - Unrestricted		
Unrestricted	565,522	291,323
Temporarily Restricted	-	283,236
Total Net Assets	<u>565,523</u>	<u>574,559</u>
 Total Liabilities and Net Assets	 <u>\$ 711,361</u>	 <u>\$ 925,469</u>

See accompanying notes to the financial statements and independent auditor's report.

DENVER INNER CITY PARISH, INC.
Statement of Activities and Changes in Net Assets
For the year ended June 30

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Federal and state awards	\$ 25,110	\$ -	\$ 25,110	\$ 31,909	\$ -	\$ 31,909
Contributions and grants	1,229,151	-	1,229,151	912,064	-	\$ 912,064
Special events, net	168,266	-	168,266	165,518	-	\$ 165,518
Program income	62,716	-	62,716	178,934	-	\$ 178,934
In-kind contributions	660,879	-	660,879	662,504	-	\$ 662,504
Rental income	61,633	-	61,633	51,092	-	\$ 51,092
Investment income	6,914	-	6,914	9,315	-	\$ 9,315
Miscellaneous income	-	-	-	8,872	-	\$ 8,872
Net assets released from restriction			-	(53,879)	53,879	\$ -
Total Support and Revenues	2,214,670	-	2,214,670	1,966,330	53,879	2,020,209
EXPENSES						
Operating Expense	182,317	-	182,317	176,072	-	176,072
Program Expenses	1,881,200	-	1,881,200	2,068,182	-	2,068,182
Professional Development Expenses	144,910	-	144,910	152,375	-	152,375
Total Expenses	2,208,427	-	2,208,427	2,396,629	-	2,396,629
CHANGE IN NET ASSETS	6,243	-	6,243	(430,299)	53,879	(376,420)
NET ASSETS, Beginning of Year	291,323	283,236	574,559	721,622	229,357	950,979
NET ASSETS, End of Year	\$ 297,565	\$ 283,236	\$ 580,801	\$ 291,323	\$ 283,236	\$ 574,559

See accompanying notes to the financial statements and independent auditor's report.

DENVER INNER CITY PARISH, INC.
Statement of Cash Flows
For the Year Ended June 30,

	<u>2015</u>	<u>2014</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 6,243	\$ (376,420)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	37,851	52,534
(Increase) decrease in:		
Accounts Receivable	(5,798)	3,025
Grants Receivable	171,947	65,721
Prepays	-	1,785
Security Deposits	-	1,000
Increase (decrease) in:		
Accounts Payable	(74,224)	(2,836)
Payroll Liabilities	(7,807)	(629)
Deferred Payables	(107,053)	212,528
Security Deposits	<u>1,727</u>	<u>(2,100)</u>
Net Cash Flow From Operating Activities	22,886	(45,392)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	(25,376)	113,930
Purchase of Furniture, Fixtures, and Equipment	6,587	(59,966)
Funds Advanced to Historic Denver	<u>-</u>	<u>51,689</u>
Net Cash Flow from Investing Activities	(18,790)	105,653
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Note Payable	<u>(19,000)</u>	<u>(31,000)</u>
Net Cash Flow from Investing Activities	(19,000)	(31,000)
NET INCREASE IN CASH & CASH EQUIVALENTS	(14,904)	29,261
CASH & CASH EQUIVALENTS, Beginning of the Year	<u>52,659</u>	<u>38,398</u>
CASH & CASH EQUIVALENTS, End of the Year	<u>\$ 37,756</u>	<u>\$ 67,659</u>

See accompanying notes to the financial statements and independent auditor's report.

Denver Inner City Parish, Inc.
Statement of Functional Expenses
Year Ended June 30,

	2015											2014	
	La Academia	Parish Seniors	Spiritual Develop.	Summer & After School	Emergency Family Services, Community Support, & Hunger Bank	Project ReNew	WAGEES	General & Admin	Fundraising	College View	In-Kind Contributions	Total	Totals Only
Salaries	312,724	29,693	19,541	56,914	57,498	19,704	96,705	96,985	65,583	28,342		783,689	896,610
Employee Benefits and Payroll Taxes	55,331	9,596	3,606	8,808	8,732	4,347	18,538	15,842	9,998	4,016		138,814	165,249
Total Salaries and Related Expenses	368,055	39,290	23,146	65,722	66,229	24,051	115,243	112,827	75,582	32,358	-	922,504	1,061,859
Building Repairs and Maintenance	14,593	1,247	684	1,611	4,624	1,306	1,350	91	116	307		25,928	40,473
Utilities and Other Occupancy	18,994	2,054	737	1,422	20,769	26,432	1,486	2,442	2,316	-	336,049	412,701	522,155
Telephone and IT	6,037	2,510	1,986	3,791	6,490	3,739	1,596	3,381	1,524	3,804		34,857	56,630
Program Supplies	2,003	402	958	753	18,930	2,960	812	-	2,477	523	153,533	183,349	283,821
Field Trips and Other Activities	-	2,205	-	1,500	-	-	-	-	-	-		3,706	15,093
Direct Services	30,338	146	-	40	18,667	8,142	30,388	-	-	-		87,721	93,685
Food and Related Supplies	39,065	442.53	721	724	28,648	-	-	433	-	-	171,297	241,330	46,713
Office Supplies and Postage	1,677	319	165	470	527	132	226	810	606	67		4,997	1,918
Printing and Copier	8,282	1,810	947	2,309	2,509	809	387	2,293	3,128	830		23,304	31,049
Vehicle and Equipment Maintenance	8,641	2,316	304	2,460	3,422	164	211	596	82	297		18,492	17,446
Insurance	6,772	1,260	1,119	4,549	3,230	2,542	1,449	4,573	1,068	3,788		30,349	36,704
Professional and Other Outside Services	5,890	11,720	5,059	-	-	23,226	17,662	37,513	34,591	8,238		143,899	87,882
Bank Charges-Interest-Late Fees	25	-	-	1	-	2	13	57	-	4		102	10,544
Licenses and Fees	-	-	-	470	-	-	-	371	8,346	-		9,187	3,222
Other Expenses	-	-	-	-	-	-	-	60	14,821	-		14,881	34,901
Expenses Before Depreciation	510,372	65,720	35,825	85,823	174,043	93,504	170,824	165,447	144,655	50,215	660,879	2,157,306	2,344,095
Depreciation Expense	23,516	1,022	511	2,045	5,623	1,022	-	16,870	256	256		51,121	52,534
Total Expenses	533,887	66,743	36,336	87,868	179,666	94,526	170,824	182,317	144,910	50,471	660,879	2,208,427	2,396,629

DENVER INNER CITY PARISH, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Denver Inner City Parish, Inc. (the "Parish") serves the underserved in the greater Denver area by offering programs that focus on key community needs: hunger relief, education, community enhancement and economic development. The primary goal of the Parish is to empower our communities and support personal transformation and to ultimately create self-sustaining lifestyles for those who are most vulnerable. We equip our clients with the skills needed to break the cycle of poverty. The mission of the Parish is, "Denver Inner City Parish welcomes and empowers people in need through support, determination and community. We have been consistently renewing and enhancing lives since 1960."

B. Program Services

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

La Academia: Is a private 7th to 12th grade school committed to providing the highest level of education to kids who have been underserved by the schools they have previously attended. Our goal is to provide a quality education in a safe and structured learning environment for students of all ethnicities, economic backgrounds and sexual orientations. We have successfully provided this kind of education for over 40 years. Approximately sixty youths attend La Academia each year.

Out of School Programs:

Summer Day Camp and After School: The Summer Day Camp and after school program provide low-cost childcare for working economically challenged families, many of who are living below the poverty line. The program serves about forty-five children ages six to twelve.

Food Bank: The Denver Inner City Parish operates two different food banks. Both food banks are no boundary food banks that operate on a client-choice model. The food bank serves approximately 1,200 individuals a month.

Locations:

910 Galapago Street
1212 Mariposa Street

Community at Worship: The Denver Inner City Parish Worship celebrates "faith in action" with a semi-monthly service. On average 70 individuals attend each service.

Project ReNew: Works with the homeless, working indigents, veterans, and previously incarcerated adults - helping them to find jobs, overcome addiction, and learn personal habits of success. Project ReNew also supports the path to self-sufficiency by providing its participants with sober transitional housing, transportation, and clothing. Approximately 24 individuals are served through Project ReNew.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

WAGEES: The Work and Gain Education and Employment Skills (WAGEES) program improves the employment prospects of 18 to 24 year olds who have dropped out of school or been involved with the justice system by providing these adults with education, employment coaching, job training, personal and parental counseling, and close caring case management. The program had 100 participants for the year.

Adult Education: Assists individuals in earning a General Equivalency Diploma (G.E.D.). For those who did not complete high school, achieving a G.E.D. is one of the most important steps they can take to improve their employment prospects and move out of poverty. On average 100 individuals go through the program each year.

Parish Seniors: Program enhances the quality of life for aging, underserved community members by reducing the risk factors associated with inactivity and social isolation in addition to providing transportation and daily meals. Seniors Programs is located at 1212 Mariposa Street and College View Center. Over 150 participants are in the seniors programs

Parish Recreation:

College View Center - Offers fitness and recreational programs and services including square dancing, tae-kwon-do, seniors program, volleyball, basketball, and open gym. The Center also provides youth community services such as gang disengagement. Approximately 3,000 individuals participated in this 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.

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 square foot community center at 1212 Mariposa Street, which they acquired 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 nonprofit organizations. Accordingly, approximately 20% of the expenses associated with the 1212 Mariposa building are classified as Sub-Lease 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 affected the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2011, 2012, and 2013 are subject to examination by the I.R.S., generally for three years after they were filed.

N. Disputed Accounts Payable

Certain accounts payable with a former service provider are being disputed and are expected to be resolved by December 2015. The amount is \$24,669 at June 30, 2015.

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 per account. At June 30, 2015 there were no uninsured cash balances.

NOTE 3 – INVESTMENTS

Investments of the Parish consist of the following:

	2015		2014	
	Cost	Market	Cost	Market
Money Market Funds	\$ 132	\$ 42,553	\$ 132	\$ 132
Mutual Funds	24,420	11,848	24,420	27,887
	<u>\$ 24,552</u>	<u>\$ 54,401</u>	<u>\$ 24,552</u>	<u>\$ 28,019</u>

NOTE 4 - PROMISES TO GIVE

The promises to give as of June 30, 2015 are unconditional and are due in 2016. The amounts were \$0 at the end of each respective year.

NOTE 5 - 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, 2015:

Year Ended June 30,	
2016	\$ 42,865

NOTE 6 - 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 education and mentoring programs, senior services, case management, and employment.

The Parish is leasing a copier and telephones under operating leases. At June 30, 2015, future minimum lease payments under these leases have remaining terms in excess of one year as follows:

Year Ended June 30,		
	2016	35,826
	2017	27,852
	2018	27,852
	2019	20,889
		<u>112,419</u>

NOTE 7 - SPECIAL EVENTS

The following schedule summarizes income and expense from special events for the years ended June 30, 2015 and 2014:

	2015	2014
Income	<u>\$ 168,266</u>	<u>\$ 165,518</u>
Expense	<u>12,992</u>	<u>34,851</u>
	<u><u>\$ 155,274</u></u>	<u><u>\$ 130,667</u></u>

NOTE 8 - IN-KIND CONTRIBUTIONS

In-kind contributions (stated at fair value) for the years ended June 30, 2015 and 2014 consisted of donated materials of \$324,830 and \$251,316, and donated facilities and utilities in the amount of \$366,049 and \$411,188.

NOTE 9 - CONTRIBUTED SERVICES

During the years ended June 30, 2015 and 2014, volunteers donated approximately 16,000 and 19,000 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 \$324,830 and \$408,500, respectively. Services in the amount of \$8,250 and \$8,250 were recorded for ministerial services for the year ended June 30, 2015 and 2014, respectively.

NOTE 10 - SIGNIFICANT DONORS

An individual donor contributed over 10% of the revenue and support in each year ended June 30, 2015 and 2014.

NOTE 11 - FAIR VALUE MEASUREMENT

Generally Accepted Accounting Principles defines 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 if 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.

The following are the major categories of assets and liabilities measured at fair value on a recurring basis as of June 30, 2015:

Description	Level 1: Quoted prices in active markets	Level 2:	Level 3:	Total at June 30, 2015
		Internal models with significant observable market parameters	Internal models with significant unobservable market parameters	
Money Market Funds	\$ 42,553	-	-	\$ 42,553
Mutual Funds	11,848	-	-	\$ 11,848
	<u>\$ 54,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,401</u>

The following are the major categories of assets and liabilities measured at fair value on a recurring basis as of June 30, 2014:

Description	Level 1: Quoted prices in active markets	Level 2:	Level 3:	Total at June 30, 2015
		Internal models with significant observable market parameters	Internal models with significant unobservable market parameters	
Money Market Funds	\$ 132	-	-	\$ 132
Mutual Funds	27,887	-	-	\$ 27,887
	<u>\$ 28,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,019</u>

NOTE 12 -SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 19, 2015, the date the financial statements were available to be issued. None were identified.