

DENVER INNER CITY PARISH, INC.

FINANCIAL STATEMENTS

For The Years Ended

JUNE 30, 2016 and 2015

DENVER INNER CITY PARISH, INC.

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FINANCIAL STATEMENTS  
JUNE 30, 2016 and 2015

TABLE OF CONTENTS

Independent Auditor's Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5
Notes to the Financial Statements	6

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, 2016 and 2015, 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.

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, 2016 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 15, 2016

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

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and Cash Equivalents	\$ 216,771	\$ 37,756
Accounts Receivable	10,360	5,798
Gift Cards	1,023	-
Total Current Assets	<u>228,154</u>	<u>43,554</u>
Non Current Assets		
Investments	78,146	54,401
Prepaid Postage	1,177	-
Total Non Current Assets	<u>79,323</u>	<u>54,401</u>
Property and Equipment		
Land	16,000	16,000
Buildings and Improvements	1,680,424	1,640,591
Furniture, Fixtures and Equipment	60,854	60,854
Vehicles	19,219	27,560
	<u>1,776,497</u>	<u>1,745,006</u>
Less Accumulated Depreciation	<u>(1,161,322)</u>	<u>(1,131,600)</u>
Total Property and Equipment	<u>615,175</u>	<u>613,406</u>
 TOTAL ASSETS	 <u>\$ 922,652</u>	 <u>\$ 711,361</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable	\$ -	\$ 13,300
Disputed Payable	-	24,669
Payroll Liabilities	-	-
Short Term Loan	-	-
Deferred Advances	290,441	105,475
Security Deposits	2,816	2,394
Total Current Liabilities	<u>293,257</u>	<u>145,838</u>
Net Assets - Unrestricted		
Unrestricted	629,394	565,523
Temporarily Restricted	-	-
Total Net Assets	<u>629,394</u>	<u>565,523</u>
 Total Liabilities and Net Assets	 <u>\$ 922,652</u>	 <u>\$ 711,361</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**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Federal and state awards	\$ 27,670	\$ -	\$ 27,670	\$ 25,110	\$ -	\$ 25,110
Contributions and grants	1,089,776	-	1,089,776	1,229,151	-	1,229,151
Special events, net	151,765	-	151,765	168,266	-	168,266
Program income	20,111	-	20,111	62,716	-	62,716
In-kind contributions	603,999	-	603,999	660,879	-	660,879
Rental income	71,183	-	71,183	61,633	-	61,633
Investment income	8,346	-	8,346	6,914	-	6,914
Miscellaneous income	-	-	-	-	-	-
Net assets released from restriction	283,236	(283,236)	-	-	-	-
<b>Total Support and Revenues</b>	<b>2,256,086</b>	<b>(283,236)</b>	<b>1,972,850</b>	<b>2,214,670</b>	<b>-</b>	<b>2,214,670</b>
<b>EXPENSES</b>						
Operating Expense	123,483	-	123,483	182,317	-	182,317
Program Expenses	1,630,139	-	1,630,139	1,881,200	-	1,881,200
Professional Development Expenses	155,356	-	155,356	144,910	-	144,910
<b>Total Expenses</b>	<b>1,908,978</b>	<b>-</b>	<b>1,908,978</b>	<b>2,208,427</b>	<b>-</b>	<b>2,208,427</b>
<b>CHANGE IN NET ASSETS</b>	<b>347,108</b>	<b>(283,236)</b>	<b>63,872</b>	<b>6,243</b>	<b>-</b>	<b>6,243</b>
<b>NET ASSETS, Beginning of Year</b>	<b>282,287</b>	<b>283,236</b>	<b>565,523</b>	<b>291,323</b>	<b>283,236</b>	<b>574,559</b>
Prior Year Adjustment	-	-	-	(15,279)	-	(15,279)
<b>NET ASSETS, End of Year</b>	<b>\$ 629,394</b>	<b>\$ -</b>	<b>\$ 629,394</b>	<b>\$ 282,287</b>	<b>\$ 283,236</b>	<b>\$ 565,523</b>

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,**

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 63,872	\$ 6,243
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	29,722	37,851
(Increase) decrease in:		
Accounts Receivable	(4,562)	(5,798)
Grants Receivable	-	171,947
Prepays	(1,023)	-
Security Deposits	422	-
Increase (decrease) in:		
Accounts Payable	(37,969)	(74,224)
Payroll Liabilities	-	(7,807)
Deferred Payables	184,966	(107,053)
Security Deposits	-	1,727
	235,428	22,886
Net Cash Flow From Operating Activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	(23,745)	(25,376)
Purchase of Fixed Assets	(31,491)	6,587
Postage at USPS	(1,177)	-
	(56,413)	(18,790)
Net Cash Flow from Investing Activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Note Payable	-	(19,000)
	-	(19,000)
Net Cash Flow from Investing Activities		
NET INCREASE IN CASH & CASH EQUIVALENTS	179,015	(14,904)
CASH & CASH EQUIVALENTS, Beginning of the Year	37,756	52,659
CASH & CASH EQUIVALENTS, End of the Year	\$ 216,771	\$ 37,756

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,**

	2016										2015	
	La Academia	Parish Seniors	Spiritual Develop.	Summer & After School	Emergency Family Services, Community Support, & Hunger Bank	Project ReNew	General & Admin	Fundraising	College View	In-Kind Contributions	Total	Totals Only
Salaries	312,563	28,899	37,677	54,311	28,947	167	109,665	78,751	70,741	-	721,721	783,689
Employee Benefits and Payroll Taxes	49,726	8,039	3,295	8,304	5,464	-	11,774	11,066	11,660	-	109,328	138,814
<b>Total Salaries and Related Expenses</b>	<b>362,289</b>	<b>36,938</b>	<b>40,972</b>	<b>62,615</b>	<b>34,411</b>	<b>167</b>	<b>121,439</b>	<b>89,817</b>	<b>82,401</b>	<b>-</b>	<b>831,049</b>	<b>922,504</b>
Building Repairs and Maintenance	13,721	3,550	1,775	2,662	3,550	-	1,825	888	3,190	-	31,161	25,928
Utilities and Other Occupancy	18,003	3,661	1,917	3,661	3,488	-	2,703	785	2,458	355,049	391,725	412,701
Telephone and IT	10,465	3,794	3,695	7,341	3,794	-	5,756	1,897	3,815	-	40,557	34,857
Program Supplies	1,897	-	173	1,861	473	63	-	945	10,970	96,581	112,963	183,349
Field Trips and Other Activities	-	1,423	-	-	-	-	-	-	-	-	1,423	3,706
Direct Services	33,541	13,693	10,136	5,440	5,354	8,373	-	1,120	35,948	-	113,605	87,721
Food and Related Supplies	33,334	1,208	2,545	266	2,283	-	253	785	40	152,369	193,083	241,330
Office Supplies and Postage	3,566	792	198	1,003	792	42	4,126	5,053	763	-	16,335	4,997
Printing and Copier	7,507	3,753	3,753	3,753	3,753	-	4,872	2,291	7,507	-	37,189	23,304
Vehicle and Equipment Maintenance	2,132	2,437	1,219	2,743	3,439	-	375	446	1,252	-	14,043	18,492
Insurance	9,005	3,291	1,902	5,747	4,060	523	(1,367)	716	6,088	-	29,965	30,349
Professional and Other Outside Services	5,171	1,266	633	636	1,743	5,940	7,684	17,809	1,363	-	42,245	143,899
Bank Charges-Interest-Late Fees	-	-	-	-	-	-	-	-	-	-	-	102
Licenses and Fees	-	-	-	-	-	-	322	4,947	-	-	5,269	9,187
Other Expenses	-	-	-	-	-	-	-	27,857	-	-	27,857	14,881
Disputed Accounts Payable and Printer	-	-	-	-	-	-	(29,506)	-	-	-	(29,506)	-
<b>Expenses Before Depreciation</b>	<b>500,631</b>	<b>75,806</b>	<b>68,918</b>	<b>97,728</b>	<b>67,140</b>	<b>15,108</b>	<b>118,482</b>	<b>155,356</b>	<b>155,795</b>	<b>603,999</b>	<b>1,858,963</b>	<b>2,157,306</b>
Depreciation Expense	12,504	3,751	3,751	2,501	10,003	-	5,001	-	12,504	-	50,015	51,121
<b>Total Expenses</b>	<b>513,135</b>	<b>79,557</b>	<b>72,669</b>	<b>100,229</b>	<b>77,143</b>	<b>15,108</b>	<b>123,483</b>	<b>155,356</b>	<b>168,299</b>	<b>603,999</b>	<b>1,908,978</b>	<b>2,208,427</b>

DENVER INNER CITY PARISH, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**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:

Locations:

910 Galapago Street  
1212 Mariposa Street  
2525 Decatur Street

La Academia: Is a private 7th-12th grade school for at-risk youth who have been underserved by public schools. La Academia is committed to providing the highest level of individualized education in a safe, caring, and structured learning environment for students regardless of their ethnicity or socio-economic status. DICP has been successfully providing education of this kind for over 40 years. Up to sixty youths attend La Academia each year. In June 2016, all of La Academia's graduating seniors were accepted into a college or higher education institution.

Hunger Relief and Nutrition: Hunger Relief and Nutrition are quintessential elements to DICP's mission to improve the lives of Denver's low-income community members. More than 75% of all DICP programming has some type of food and nutrition component and on average more than 137,400 meals are served annually. DICP's Food Bank operates on a client-choice model and serves approximately 900 individuals each month. Additionally, the Totes of Hope program sends more than 140 kids home each Friday with enough food to eat for the entire weekend.

College View Community Center (CVCC): CVCC is a significant new program of the DICP. CVCC is a recreation center that also houses major community programs focusing on at-risk youth, low-income families, gang disengagement and more. CVCC is located on the southwest side of Denver, one block from the intersection of Federal and Harvard. CVCC serves the southwest Denver area through services and programs developed for low-income families and at-risk youth and individuals struggling with substance abuse, addictions, domestic violence, gang involvement, violence disruption, families involved with the welfare system, and students struggling academically. DICP's programs currently offered through CVCC include substance abuse counseling, gang-disengagement, fatherhood and motherhood learning groups, GED classes, recreation and physical fitness, cooking and nutrition classes, peer-to-peer mentoring groups, job development, and human services system navigation.



## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Out-of-School-Time (OST): OST provides working poor families with year-round, no-cost, supervised care for middle school students. During the school year, homework help and academic support are provided by tutors, and students are fed a hot meal and healthy snacks daily. Students also engage in recreational activities such as basketball and boxing, and are taught valuable life skills through guest speakers, music, dance, and art workshops.

Senior Citizen Programs: Seniors' programs enhance the quality of life for aging, underserved community members by reducing the risk factors associated with inactivity and social isolation while also providing transportation and daily meals. Seniors programs are located at the 1212 Mariposa and CVCC locations. Over 480 participants are in the seniors programs on a monthly basis.

Spiritual Development: DICP acknowledges the vital need to support the spirit of our clients and community. The connection to a healthy and empowered life begins with the individual's mind and spirit and several programs such as weekly worship service, individual counseling, advocating for client rights and more are offered. Countless individuals are served annually.

Community Enhancement & Human Services: DICP provides general community support and human services with assistance in housing, transportation, resume-building and job readiness, and other general encouragement and support services for community members. Thousands (approximately 26,000) of individuals are supported by DICP on an annual basis through our human service and community programs and collaborations.

### **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 2012, 2013, and 2014 are subject to examination by the I.R.S., generally for three years after they were filed.

**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, 2016 there were no uninsured cash balances.

**NOTE 3 – INVESTMENTS**

Investments of the Parish consist of the following:

	<u>2016</u>	<u>2015</u>
	<u>Market</u>	<u>Market</u>
Money Market Funds	\$ 60,826	\$ 42,553
Mutual Funds	17,320	11,848
	<u>\$ 78,146</u>	<u>\$ 54,401</u>

**NOTE 4 - PROMISES TO GIVE**

The promises to give as of June 30, 2017 are unconditional and are due in 2017. 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, 2016:

Year Ended June 30,	
2017	\$ 33,823

**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, 2016, future minimum lease payments under these leases have remaining terms in excess of one year as follows:

Year Ended June 30,		
	2017	27,852
	2018	27,852
	2019	<u>20,889</u>
		<u>76,593</u>

**NOTE 7 - SPECIAL EVENTS**

The following schedule summarizes income and expense from special events for the years ended June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Income	\$ 151,765	\$ 168,266
Expense	<u>22,310</u>	<u>12,992</u>
	<u>\$ 129,455</u>	<u>\$ 155,274</u>

**NOTE 8 - IN-KIND CONTRIBUTIONS**

In-kind contributions (stated at fair value) for the years ended June 30, 2016 and 2015 consisted of donated materials of \$248,950 and \$324,830, and donated facilities and utilities in the amount of \$355,049 and \$366,049.

**NOTE 9 - CONTRIBUTED SERVICES**

During the years ended June 30, 2016 and 2015, volunteers donated approximately 14,000 and 17,000 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 \$359,520 and \$436,560, respectively.

**NOTE 10 - SIGNIFICANT DONORS**

An individual donor contributed over 10% of the revenue and support in each year ended June 30, 2016 and 2015.

**NOTE 12 -SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 15, 2016, the date the financial statements were available to be issued. None were identified.