

Denver Inner City Parish Inc.

**Financial Statements for the Twelve Month periods ended
June 30, 2022 and June 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Denver Inner City Parish Inc. (a Colorado nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and June 30, 2021, the related statements of activities and cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Denver Inner City Parish Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Denver Inner City Parish Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Denver Inner City Parish Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Denver Inner City Parish Inc. ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Comprehensive Financial Management P.C.

Comprehensive Financial Management PC

Lakewood Colorado
September 1, 2022

Denver Inner City Parish Inc.
Statements of Financial Position
June 30, 2022 and 2021

Assets	2022	2021
Cash and Cash Equivalents	\$ 45,730	\$ 13,568
Accounts Receivable	162,338	39,903
Prepays	26,973	2,400
Investments - Board designated purposes	761,865	850,000
Investments - Other	242,576	441,990
	1,239,482	1,347,861
Property and Equipment:		
Building and Improvements	154,939	142,295
Furniture, Fixtures, and Equipment	9,510	9,510
Vehicles	65,500	38,000
	229,949	189,805
Less: Accumulated Depreciation	(140,875)	(121,155)
Net Property and Equipment	89,074	68,650
Total Assets	\$ 1,328,556	\$ 1,416,511

Liabilities and Net Assets

Liabilities:		
Accounts Payable	\$ 32,652	\$ 29,867
Vacation Liability	12,434	13,189
Security Deposits	2,218	3,656
Total Liabilities	47,304	46,712
 Net Assets:		
Net Assets Without Donor Restriction	359,170	416,939
Board Designated	761,865	850,000
Net Assets with Donor Restriction	160,217	102,860
Total Net Assets	1,281,252	1,369,799
Total Liabilities and Net assets	\$ 1,328,556	\$ 1,416,511

Denver Inner City Parish Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue						
In-kind contributions	\$ 843,200	\$ -	\$ 843,200	\$ 1,315,029	\$ -	\$ 1,315,029
Contributions and grants	318,299	273,028	591,327	148,746	394,853	543,599
Government contracts and awards	557,886	-	557,886	502,401	-	502,401
Program income	-	-	-	-	-	-
Miscellaneous income	102	-	102	1	-	1
Net assets released from restrictions	215,671	(215,671)	-	339,425	(339,425)	-
Total Public Support	\$ 1,935,158	\$ 57,357	\$ 1,992,515	\$ 2,305,602	\$ 55,428	\$ 2,361,030
Other Revenue						
Rental Income	25,382		25,382	38,483		38,483
Interest	1,273		1,273	3,116		3,116
Dividends	32,777		32,777	15,123		15,123
Capital gains	2,474		2,474	292		292
Unrealized gain (loss) on investments	(118,654)		(118,654)	28,595		28,595
Gain on sale of building						
Investment fees	(6,005)		(6,005)	(5,845)		(5,845)
Total Other Revenue	(62,753)		(62,753)	79,764		79,764
Total Public Support and Other Revenue	1,872,405	57,357	1,929,762	2,385,366	55,428	2,440,794
Expenses						
Program Expenses	1,739,225		1,739,225	2,137,128		2,137,128
Fund Raising Expenses	118,492		118,492	104,106		104,106
General and Admin Expenses	160,592		160,592	86,185		86,185
Total Expenses	2,018,309		2,018,309	2,327,419		2,327,419
Change in Net Assets	(145,904)	57,357	(88,547)	57,947	55,428	113,375
Net Assets, beginning of year	1,266,939	102,860	1,369,799	1,208,992	47,432	1,256,424
Net Assets, end of year	\$ 1,121,035	\$ 160,217	\$ 1,281,252	\$ 1,266,939	\$ 102,860	\$ 1,369,799

The accompanying notes are an integral part of these financial statements. 4

Denver Inner City Parish Inc.
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Change in Net Assets	\$ (88,547)	\$ 113,375
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	19,720	8,213
(Gain) on sale of building	-	-
Interest income retained in investment account	(1,273)	(3,116)
Dividend income retained in investment account	(32,777)	(15,123)
Capital gains income retained in investment account	(2,474)	-
(Gain)/Loss, realized and unrealized, on investments	118,654	(28,885)
Investment advisor fee deducted from investment account	6,005	5,846
(Increase)/decrease in:		
Accounts Receivable	(122,435)	(38,793)
Prepays	(24,573)	(889)
Increase/(decrease) in:		
Accounts Payable	2,785	23,536
Prepays	-	-
Vacation Liability	(755)	4,782
Security Deposits	(1,438)	-
Net Cash Flow from Operating Activities	(127,108)	68,946
Cash Flows From Investing Activities		
Proceeds from sale of building	-	-
Sale of investments	225,295	-
Gifts of Stock Investments	(25,881)	-
Purchase of investments	-	(110,253)
Purchase of property and equipment	(40,144)	(45,410)
Net Cash Flow from Investing Activities	159,270	(155,663)
Cash Flows for Investing Activities		
SBA Loan	-	(63,700)
Net Cash Flow from Financing Activities	-	(63,700)
Net Increase/(Decrease) in Cash & Cash Equivalents	32,162	(150,417)
Cash & Cash Equivalents, Beginning of the Year	13,568	163,985
Cash & Cash Equivalents, End of the Year	\$ 45,730	\$ 13,568

Denver Inner City Parish, Inc.
Statements of Functional Expenses
Years Ended June 30, 2022 and June 30, 2021

2022

	Hunger Bank	Education	Community Support and Resource Navigation	Inmate Reentry	Seniors	Immigration Services	General & Admin	Fundraising	In-kind Contributions	Total
Salaries	\$ 265,038	\$ 47,697	\$ 32,270	\$ -	\$ 67,318	\$ -	\$ 101,571	\$ 19,328	\$ -	\$ 533,222
Employee Benefits and Payroll Taxes	50,160	6,572	7,301	-	12,144	-	17,402	2,798	-	96,377
Total Salaries and Related Expenses	315,198	54,269	39,571	-	79,462	-	118,973	22,126	-	629,599
Building Repairs and Maintenance	11,509	1,331	3,805	-	7,192	1,408	2,073	837	-	28,155
Utilities and Other Occupancy	7,294	842	2,412	-	4,561	892	1,313	528	178,815	196,657
Telephone and IT	10,070	867	2,770	-	5,296	1,004	1,056	487	-	21,550
Program Supplies	21,326	85	659	596	28,000	-	-	-	96,990	147,656
Direct Services	18,618	21,887	8,483	-	15,790	41,709	24,683	12,252	-	143,422
Food and Related Supplies	44,438	19	2,527	-	2,132	-	24	-	567,395	616,535
Office Supplies and Postage	1,002	119	329	-	621	123	182	77	-	2,453
Printing and Copier	1,554	152	531	-	1,023	189	265	76	-	3,790
Vehicle and Equipment Maintenance	12,394	23	23	-	4,025	11	1,760	23	-	18,259
Insurance	6,867	734	2,306	-	4,402	839	1,206	420	-	16,774
Professional and Other Outside Services	4,820	386	1,851	26,190	51,718	332	7,024	70,940	-	163,261
Licenses and Fees	1,458	4	13	-	124	4	61	2	-	1,666
Other Expenses	60	-	-	-	-	-	-	8,752	-	8,812
Expenses Before Depreciation	456,608	80,718	65,280	26,786	204,346	46,511	158,620	116,520	843,200	1,998,589
Depreciation Expense	3,944	1,972	3,944	1,972	3,944	-	1,972	1,972	-	19,720
Total Expenses	\$ 460,552	\$ 82,690	\$ 69,224	\$ 28,758	\$ 208,290	\$ 46,511	\$ 160,592	\$ 118,492	\$ 843,200	\$ 2,018,309

2021

	Hunger Bank	Education	Community Support and Resource Navigation	Inmate Reentry	Seniors	Immigration Services	General & Admin	Fundraising	In-kind Contributions	Total
Salaries	\$ 108,763	\$ 99,623	\$ 44,727	\$ 17,048	\$ 37,951	\$ -	\$ 54,106	\$ 16,484	\$ -	\$ 378,702
Employee Benefits and Payroll Taxes	23,504	16,051	10,836	2,682	5,923	-	8,026	2,007	-	69,029
Total Salaries and Related Expenses	132,267	115,674	55,563	19,730	43,874	-	62,132	18,491	-	447,731
Building Repairs and Maintenance	5,746	5,564	5,564	3,273	5,564	-	3,927	3,272	-	32,910
Utilities and Other Occupancy	2,288	3,288	2,288	1,346	2,288	-	1,614	1,346	128,625	143,083
Telephone and IT	4,221	3,902	3,902	2,295	5,202	-	2,753	2,295	-	24,570
Program Supplies	5,507	856	5,422	26,295	16,415	-	-	-	63,944	118,439
Direct Services	13,010	13,572	12,497	375	4,119	-	9,863	20,001	-	73,437
Food and Related Supplies	87,045	32	-	200	2,985	-	35	-	1,122,460	1,212,757
Office Supplies and Postage	878	878	878	516	878	-	663	516	-	5,207
Printing and Copier	207	207	207	122	207	-	144	122	-	1,216
Vehicle and Equipment Maintenance	1,688	1,488	1,488	875	1,488	-	1,049	875	-	8,951
Insurance	2,429	2,429	2,429	1,429	2,429	-	1,715	1,429	-	14,289
Professional and Other Outside Services	1,156	2,278	1,156	170,964	4,656	-	1,283	45,108	-	226,601
Licenses and Fees	-	-	-	-	-	-	185	-	-	185
Other Expenses	-	-	-	-	-	-	-	9,829	-	9,829
Expenses Before Depreciation	256,442	150,168	91,394	227,420	90,105	-	85,363	103,284	1,315,029	2,319,205
Depreciation Expense	1,314	1,314	1,314	1,314	1,314	-	822	822	-	8,214
Total Expenses	\$ 257,756	\$ 151,482	\$ 92,708	\$ 228,734	\$ 91,419	\$ -	\$ 86,185	\$ 104,106	\$ 1,315,029	\$ 2,327,419

Denver Inner City Parish Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2022, and June 30, 2021

Note 1 – Summary of Significant Accounting Policies

A. Organization

Denver Inner City Parish, Inc. (the “Parish” or “DICP”) offers the underserved in the greater Denver area key community needs: hunger relief, education, community support, health & wellness. The mission statement of the Parish says, “The Denver Inner City Parish loves and supports individuals and families in our community, empowering them to break the cycle of poverty”. We envision that our community has the economic opportunities, tools and resources to lead healthy and successful lives.

B. Program Services

Hunger relief and nutrition are essential elements to DICP’s mission to improve the lives of Denver’s low-income community members. On average the Parish serves more than 303,000 meals or equivalents annually. DICP’s Food Pantry serves approximately 995 individuals each month. The Veggie Rx program is designed to increase knowledge of nutrition and a healthy lifestyle.

DICP provides general community support and human services with assistance in navigating the various programs available through governmental and non-profit agencies. These programs include assistance in locating housing, transportation, health care, food assistance, childcare, resume building, job readiness and immigration assistance. A diaper bank is maintained for those needing them and emergency meals are provided on an as needed basis. Thousands of individuals are supported by DICP on an annual basis through our community support and care navigation.

Senior citizen 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 meals. Over 112 participants are in the seniors’ programs on a monthly basis.

In fiscal year 2022 DICP provided scholarships totaling \$20,400 to students for post secondary education programs. Also, some classes in computer science were offered in partnership with local schools and other youth serving organizations.

In fiscal year 2022 DICP began a program to aid immigrants to the United States. This program includes assistance in legal matters and rental assistance.

Supporting Services.

General and Administrative services provide overall direction of the Parish’s affairs and financial management. Fundraising includes activities to secure increased support for the Parish’s program services.

Denver Inner City Parish Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2022, and June 30, 2021

C. Basis of Accounting

The Parish's accounting records are prepared on the accrual basis of accounting whereby revenues and expenses are identified for the period and recorded as earned or incurred.

D. Basis of Presentation

Under FASB ASC 958-205, the Parish is required to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and net assets with donor restriction.

E. 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 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), restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction.

F. 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 effort expended.

Beginning in April of 2004 the Parish started leasing a 10,500 square feet community center at 1212 Mariposa Street from the Denver Housing Authority. The Parish uses approximately 85% of the office area for its own programs. The remaining 15% of the office is rented out to community based nonprofit organizations.

G. 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.

H. Allowance for Doubtful Accounts

In the opinion of management all accounts receivable on June 30, 2022, are collectible. Therefore, the financial statements have no provision for doubtful accounts.

Denver Inner City Parish Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2022, and June 30, 2021

I. 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 (See Note 3).

J. 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 if they exceed the Parish's capitalization threshold of \$5,000. 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.

K. Uses 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.

L. Income Taxes

The Parish is a tax-exempt organization as defined by the Internal Revenue Code, Section 501©(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. In the opinion of management, the Parish has taken no uncertain tax positions. The organization's federal Exempt Organization Income Tax Returns (Form 990) for fiscal years 2019, 2020 and 2021 are subject to examination by the I.R.S., generally for three years after they were filed. The Parish had no unrelated business income in fiscal years 2022 and 2021.

Note 2 – Concentration of 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, 2022, there were no uninsured cash balances. In the opinion of management, risk associated with these accounts is minimal. For the year ended June 30, 2022 one source accounted for 19.8% of DICP's total revenue. Management expects this relationship to continue.

Denver Inner City Parish Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2022, and June 30, 2021

Note 3 – Investments

On July 29, 2019, the Parish sold its building at 910 Galapago Street for \$1,100,000. The proceeds of that sale, net of sales expenses, were invested in its investment portfolio. The Parish's Board of Directors have designated the net proceeds of that sale to be used as follows:

- (a) \$600,000 to be used directly to help individuals in our community break their cycle of poverty. These funds would not be used to fund any of the present-day operations of the Parish. Instead, they would be invested and the return on the funds would primarily be used to fund scholarships to college and trade schools.
- (b) \$233,000 to be used to fund community based programs that further the mission of the Parish. The remainder of the proceeds could be used for general operational needs. Investment losses
- (c) The Parish puts proceeds from contributions and grants in excess of its projected cash needs in the next quarter into the investment portfolio. If current contributions and grants are less than the current operating needs, withdrawals from the investment portfolio can provide the needed liquidity. The investment portfolio is invested in certificates of deposit, mutual funds, preferred stocks, common stocks, and corporate debt instruments and is reported at fair value based on quoted prices in active markets. Investment losses are distributed to categories (a)&(b).

Fair Value Measurements Investments

The Parish reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quotes prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
 - Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets in markets that are not active.
 - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable market data by correlation or by other means.

When available, the Parish measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual Funds, common and preferred stocks and exchange traded funds: Valued at the net asset value that represents the market value of the assets less liability. Assets valued at net asset value are reported on the active market on which the individual securities are traded.

Denver Inner City Parish Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2022, and June 30, 2021

Fixed Income Securities: Fixed income securities include investments in quasi- government securities. Fixed income securities values are estimated based upon market price quotations and are generally categorized as Level 2.

Cash Equivalent: Short term (generally less than three months), highly liquid investments that are convertible to known amounts of cash.

The Parish invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Parish’s financial statements.

Investments are managed by outside managers under the direction and oversight of the Denver Inner City Parish and determines the asset allocation and place limitations on the types of investments the managers may purchase. The investments consist of various mutual funds, common and preferred stocks and exchange traded funds which are valued at fair market value. A portion of dividends and interest paid are reinvested and any appreciation or depreciation is included in the statements to reflect fair value.

Investments of the Parish consist of the following:

	<u>2022</u>	<u>2021</u>
Certificates of Deposit and uninvested cash	\$157,631	\$105,033
Bond Funds, short-term and ultra-short term	273,412	739,315
Diversified Mutual Funds	187,777	105,957
Preferred stocks	152,660	262,050
Common Stocks	211,108	52,815
Corporate Debt instruments	21,853	26,820
Total	<u>\$1,004,441</u>	<u>\$1,291,990</u>

Note 4 – Unconditional Promises to Give

There were no unconditional promises to give as of June 30, 2022, or June 30, 2021.

Note 5 – Operating Lease Revenue

The Parish leases office space to tenants under operating leases presently on a month to month basis. Management is in the process of negotiating written agreements with the tenants. Income from the tenants is \$1,244 per month.

A lease for office space was finalized subsequent to June 30, 2022 for the period October 1, 2022 to September 30, 2023. Future revenues from this arrangement are \$8,498 in fiscal year 2023 and \$2,832 in fiscal year 2024.

Denver Inner City Parish Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2022, and June 30, 2021

Note 6 - Net Assets Released From Restriction

Net Assets with donor restriction as of June 30, 2022, and June 30, 2021, include the following:

	<u>2022</u>	<u>2021</u>
Seniors	\$ 50,000	\$ 21,166
Hunger	101,620	80,289
Immigration	8,017	500
Various	580	905
Total	<u>\$160,217</u>	<u>\$102,860</u>

During fiscal years 2022 and 2021 net assets were released from donor restrictions by incurring expenditures satisfying the restricted purpose or other events specified by the donor.

	<u>2022</u>	<u>2021</u>
Administration	\$ 4,800	\$ -
Immigration	46,513	-
Seniors	44,166	43,071
Hunger	96,442	204,406
Community	17,390	38,518
Education	5,000	50,450
Various	1,360	2,980
Total	<u>\$215,671</u>	<u>\$339,425</u>

Note 7 – Lease Commitments

The Parish is leasing one building at \$1 annual rent for a five-year term ending September 2024 subject to various covenants and obligations. By mutual agreement with the landlord the lease may be extended for two periods of five years each. The lease may be terminated at any time by the landlord if it is determined to be in the best interests 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, mentoring programs, senior services, case management, and employment.

Note 8 – In-Kind Contributions

In-kind contributions (stated at fair value) for the years ended June 30, 2022, and 2021 consisted of donated materials (largely food) of \$664,385 and \$1,186,404 and donated facilities and utilities of \$178,815 and \$128,625 respectively. Fair value for food is calculated by delivered weight times average value using averages published by a non profit organization that is a national network of food banks. Fair value of donated facilities is based on comparable occupancy rates in the Denver area.

Denver Inner City Parish Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2022, and June 30, 2021

Note 9 – Contributed Services

During the years ended June 30, 2022, and 2021, volunteers donated approximately 12,349 and 9,631 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 \$369,852 and \$274,868.

Note 10 – Borrowings Payroll Protection Program

On April 13, 2020, The Organization successfully secured a \$63,700 Small Business Administration Loan under the Paycheck Protection Program of the CARES Act to secure payroll expenses for otherwise furloughed employees impacted by government-imposed shelter in place orders. Per the terms of the loan, the full amount will be forgiven if loan proceeds are used to cover payroll and otherwise specified non payroll costs. The expenses were fully incurred in the twenty-four-week period allotted. Forgiveness was officially granted by the Small Business Administration on December 31, 2020. As a result, forgiveness of the loan the loan is shown on the 2021 Statement of Activities as a Government Grant.

Note 11 - Subsequent Events

Management has evaluated subsequent events through September 1, 2022, the date the financial statements were available to be issued and determined that no other issues required disclosure.

Note 12-Liquidity

Denver Inner City Parish’s Financial assets consist of the following at June 30, 2022, and June 30, 2021.

	<u>2022</u>	<u>2021</u>
Cash	\$ 45,730	\$ 13,568
Accounts Receivable	162,338	39,903
Investments	1,004,441	1,291,990
Less: Amounts restricted due to donor restrictions	(160,127)	(102,860)
Less: Funds designated for specific use by the Board	(761,865)	(850,000)
Financial assets available for general expenditure within one year	<u>\$290,517</u>	<u>\$392,601</u>

At June 30, 2022, the Parish has \$290,517 of financial assets available within one year of the statement of Financial Position date to meet cash needs for general expenditures consisting of Cash, of \$45,730, Accounts Receivable of \$162,338, and investments. (which due to market conditions experienced a 22% drop) convertible to Cash of \$1,004,441. Funds in the amount of \$160,127 are subject to donor or other contractual obligations, which makes them unavailable for general expenditure and \$761,865 has been

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designated for specific purposes by the Board (Note 3). Accounts Receivable are expected to be collected within one year.

The Parish has a goal to maintain financial assets which consist of cash and short-term investments on hand to meet 60 days of normal operating expense which are on average approximately \$193,000. The Parish has a policy to structure its financial assets to be available as its general liabilities and other obligations come due. As part of its liquidity management, Denver Inner City Parish invests cash in excess of daily requirements in conservative, highly liquid short-term investments.

Note 13 – Employee Benefits

Full time employees are eligible for medical insurance paid by DICP. The cost of this benefit to the Organization for the years ended June 30, 2022, and June 30, 2021, was \$24,566 and \$20,670 respectively. DICP offers a retirement program for which all employees are eligible organized under Section 401(k) of the Internal Revenue Service. The Parish matches employee contributions up to 3% of the employee's salary. For the years ended June 30, 2022, and June 30, 2021, the cost of this benefit to the Organization was \$6,721 and \$5,334 respectively.

Note 14 –Uncertainty Due to COVID-19

The COVID-19 virus pandemic has limited some of the Denver Inner City Parish's in-person services and activities. The food pantry distribution has been changed to mobile delivery system. The ultimate impact of the COVID-19 is still highly uncertain and subject to change.