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# **Capitol Hill Community Services**

## **CAPITOL HILL COMMUNITY SERVICES**

**Financial Statements  
With Independent Auditors' Report**

**August 31, 2024**

# CAPITOL HILL COMMUNITY SERVICES

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# **GRAFTED VINE CPA, LLC**

Member AICPA

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Capitol Hill Community Services  
Englewood, Colorado

### **Opinion**

We have audited the accompanying financial statements of Capitol Hill Community Services (a nonprofit organization), which comprise the statement of financial position as of August 31, 2024, and the related statements of activity and changes in net assets, functional expenses and cash flows for the year 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 Capitol Hill Community Services as of August 31, 2024 and the changes in its net assets and cash flows for the year then ended in conformity 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 Capitol Hill Community Services 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 these 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 Capitol Hill Community Services' 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 auditors' 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, including omissions, 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 Capitol Hill Community Services' 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 Capitol Hill Community Services' 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.

*Grafted Vine CPA, LLC*

Woodland Park, CO  
December 26, 2024

# CAPITOL HILL COMMUNITY SERVICES

## Statement of Financial Position

August 31, 2024

### ASSETS:

#### Current Assets:

|                           |            |
|---------------------------|------------|
| Cash and cash equivalents | \$ 148,097 |
|---------------------------|------------|

#### Noncurrent Assets:

|                                     |               |
|-------------------------------------|---------------|
| Investments                         | 44,321        |
| Fixed Assets—equipment and vehicles | 44,638        |
| Less accumulated depreciation       | (44,638)      |
|                                     | <u>44,321</u> |

|              |                          |
|--------------|--------------------------|
| Total Assets | <u><u>\$ 192,418</u></u> |
|--------------|--------------------------|

### LIABILITIES AND NET ASSETS:

#### Current Liabilities:

|                             |           |
|-----------------------------|-----------|
| Accrued payroll liabilities | \$ 13,325 |
|-----------------------------|-----------|

#### Net assets:

|  |                |
|--|----------------|
| Without restrictions                   | 134,772        |
| Without restrictions, board designated | 44,321         |
|  | <u>179,093</u> |

|                                  |                          |
|----------------------------------|--------------------------|
| Total liabilities and net assets | <u><u>\$ 192,418</u></u> |
|----------------------------------|--------------------------|

See notes to financial statements

# CAPITOL HILL COMMUNITY SERVICES

## Statement of Activities

Year Ended August 31, 2024

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total      |
|---|-------------------------------|----------------------------|------------|
| Support and revenue:                              |                               |                            |            |
| Contributions                                     | \$ 85,701                     | \$ -                       | \$ 85,701  |
| Private sector grants                             | 179,557                       | -                          | 179,557    |
| Gifts-in-kind                                     | 129,192                       | -                          | 129,192    |
| Unrealized gain/(loss) on investments—net of fees | (209)                         | -                          | (209)      |
| Interest and dividend income                      | 1,958                         | -                          | 1,958      |
|   | 396,199                       | -                          | 396,199    |
| NET ASSETS RELEASED FROM:                         |                               |                            |            |
| Purpose and time restrictions                     | -                             | -                          | -          |
| EXPENSES:   |                               |                            |            |
| Program services                                  | 328,894                       | -                          | 328,894    |
| Supporting activities:                            |                               |                            |            |
| General and administrative                        | 58,317                        | -                          | 58,317     |
| Fund-raising                                      | 640                           | -                          | 640        |
|   | 387,851                       | -                          | 387,851    |
| Total Expenses                                    | 387,851                       | -                          | 387,851    |
| Change in Net Assets                              | 8,348                         | -                          | 8,348      |
| Net Assets, Beginning of Year                     | 170,745                       | -                          | 170,745    |
| Net Assets, End of Year                           | \$ 179,093                    | \$ -                       | \$ 179,093 |

See notes to financial statements

## CAPITOL HILL COMMUNITY SERVICES

### Statement of Functional Expenses

Year Ended August 31, 2024

|                                  | Supporting Activities  |                            |               |                             | Total Expenses    |
|----------------------------------|------------------------|----------------------------|---------------|-----------------------------|-------------------|
|                                  | Total Program Services | General and Administrative | Fund-Raising  | Total Supporting Activities |                   |
| Personnel expenses               | \$ 164,226             | \$ 38,800                  | \$ -          | \$ 38,800                   | \$ 203,026        |
| Client meal programs             | 127,901                | -                          | -             | -                           | 127,901           |
| Occupancy costs                  | 33,972                 | -                          | -             | -                           | 33,972            |
| Contract & professional services | -                      | 12,000                     | -             | 12,000                      | 12,000            |
| Insurance expense                | -                      | 4,223                      | -             | 4,223                       | 4,223             |
| Depreciation                     | 2,795                  | -                          | -             | -                           | 2,795             |
| Telecommunications & technology  | -                      | 1,870                      | -             | 1,870                       | 1,870             |
| Office supplies & expenses       | -                      | 1,424                      | -             | 1,424                       | 1,424             |
| Promotion & public relations     | -                      | -                          | 640           | 640                         | 640               |
| <b>Total Expenses</b>            | <b>\$ 328,894</b>      | <b>\$ 58,317</b>           | <b>\$ 640</b> | <b>\$ 58,957</b>            | <b>\$ 387,851</b> |
| Percent of Total Expenses        | 85%                    | 15%                        | 0%            | 15%                         | 100%              |

See notes to financial statements

# CAPITOL HILL COMMUNITY SERVICES

## Statement of Cash Flows

Year Ended August 31, 2024

### CASH FLOWS FROM OPERATING ACTIVITIES:

|   |               |
|---|---------------|
| Change in net assets  | \$ 8,348      |
| Adjustments to reconcile change in net assets<br>to net cash provided (used) by operating activities: |               |
| Depreciation  | 2,795         |
| Unrealized (gain)/loss on investments   | 209           |
| Changes in operating assets and liabilities:  |               |
| Increase in accrued liabilities   | 13,325        |
| Net Cash Provided by Operating Activities   | <u>24,677</u> |

### CASH FLOWS FROM INVESTING ACTIVITIES:

|                                       |                |
|---------------------------------------|----------------|
| Reinvested dividends and interest     | (1,934)        |
| Net Cash Used by Investing Activities | <u>(1,934)</u> |

|                                     |               |
|-------------------------------------|---------------|
| Change in Cash and Cash Equivalents | <u>22,743</u> |
|-------------------------------------|---------------|

|  |                |
|--|----------------|
| Cash and Cash Equivalents, Beginning of Year | <u>125,354</u> |
|--|----------------|

|  |                          |
|--|--------------------------|
| Cash and Cash Equivalents, End of Year | <u><u>\$ 148,097</u></u> |
|--|--------------------------|

See notes to financial statements



# CAPITOL HILL COMMUNITY SERVICES

## Notes to Financial Statements

August 31, 2024

### Note 1: **NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

#### **Nature of Activities**

Capitol Hill Community Services ("The Organization") was incorporated under the laws of the state of Colorado on January 13, 1986 as a 501 (c)(3) nonprofit corporation. The Organization has been serving nutritious hot meals to Denver's homeless and indigent population ever since. The philosophy of the Organization is to serve people with dignity and respect. The network of volunteers the Organization relies upon to serve meals has been trained to extend a sense of empathy and caring to those they serve.

Meals are served at noon five days a week from two rotating church site kitchens in the Capitol Hill neighborhood. The Organization served 14,000 meals during its most recent year-ended August 31, 2024.

#### **Financial statement Presentation**

The Organization maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Account balances at August 31, 2024 were fully insured by the FDIC.

#### **Property and Equipment**

The Organization capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Currently, all capitalized assets consist of equipment and vehicles which are depreciated using the straight-line method over estimated useful lives from three to five years.

#### **Net Assets**

Net assets include the following two classes:

*Net assets without donor restrictions* include resources that are available to support operations.

*Net assets with donor restrictions* include gifts which are restricted by the donor for various projects or time restricted.

# CAPITOL HILL COMMUNITY SERVICES

## Notes to Financial Statements

August 31, 2024

### NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### Support and Revenue

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Contributions restricted by the donor for specified purpose are recorded as support in the net assets with donor restrictions until the funds have been expended for the purposes specified. Donated materials, including gifts-in-kind (GIK), and services are recorded at estimated fair value.

#### Expenses

Expenses are recognized when incurred in accordance with the accrual basis of accounting.

#### Functional Allocation of Expenses

The statement of functional expenses report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses are allocated based on square footage and staff time expended.

#### Advertising

The Organization uses advertising to communicate its mission and to promote its programs to the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended August 31, 2024 was \$640. Advertising expense appears under the functional expense category of Promotion and Public Relations, herein.

#### Tax Status

The Organization is exempt from federal and state income taxes under IRS Code Section 501 (c)(3), has no items of unrelated income and believes it has complied with all requirements necessary to maintain its status.

### NOTE 2: INVESTMENTS

Investments are stated at fair value based on quoted prices in active markets (all Level 1 measurements), and are summarized as follows as of August 31, 2024:

|                           | Cost             | Fair Value       |
|---------------------------|------------------|------------------|
| Cash and cash investments | \$ -             | \$ 2,227         |
| Stocks                    | 15,202           | 22,959           |
| Mutual funds              | 17,063           | 19,135           |
|                           | <u>\$ 32,265</u> | <u>\$ 44,321</u> |

# CAPITOL HILL COMMUNITY SERVICES

## Notes to Financial Statements

August 31, 2024

### **NOTE 3: APPROPRIATIONS OF NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Organization's Board of Directors has established a reserve fund, which is designated for "unanticipated needs" and can only be spent based upon the Board's prior majority approval. During the current year the fund had an unrealized loss of \$209, net of fees. There were no authorized distributions for operations during the current year. The balance in the fund at August 31, 2024 was \$44,321.

### **NOTE 4: NON-CASH DONATIONS**

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with the operation of its meal programs. The Organization received approximately 540 volunteer hours in the course of carrying out program activity. The volunteer hours have not been recorded in the statement of activities.

|                        |                   |
|------------------------|-------------------|
| Free use of facilities | \$ 19,992         |
| Food and supplies      | <u>109,200</u>    |
|                        | <u>\$ 129,192</u> |

### **NOTE 5: DEFINED CONTRIBUTION PLAN**

The Organization has a defined contribution plan (the Plan) covering all employees with at least two years of service at the end of each respective fiscal year. At the close of each fiscal year, the Board of Directors may elect to make a contribution to the Plan on behalf of eligible employees not to exceed 15% of the employee's salary. The Board reserves the right not to make an elective contribution if such a benefit is not deemed fiscally responsible by the board. Total expense for the year ended August 31, 2024 was \$13,325.

# CAPITOL HILL COMMUNITY SERVICES

## Notes to Financial Statements

August 31, 2024

### **NOTE 6: LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The following table reflects The Organization's financial assets reduced by amounts not available for general expenditure with one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

|                           |                   |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ 148,097        |
| Investments               | 44,321            |
|                           | <u>\$ 192,418</u> |

### **NOTE 7: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 16, 2024, the date the independent auditor's report on these financial statements was available to be issued.