

DETROIT CATHOLIC PASTORAL ALLIANCE
CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

DETROIT CATHOLIC PASTORAL ALLIANCE
CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7-15
SUPPLEMENTAL SCHEDULES	16
Consolidating Statement of Financial Position	17
Consolidating Statement of Activities	18



**GREGORY
TERRELL
& COMPANY**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Detroit Catholic Pastoral Alliance

We have audited the accompanying consolidated statement of financial position of Detroit Catholic Pastoral Alliance (a Michigan non-profit Organization) as of July 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of these consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

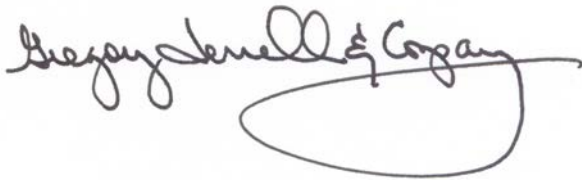
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Detroit Catholic Pastoral Alliance, at July 31, 2020 and the consolidated changes in their net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously audited Detroit Catholic Pastoral Alliance's July 31, 2019 consolidated financial statements, and our report dated June 11, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

The supplemental information contained on pages 17 and 18 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations. Such information has been subjected to the procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

A handwritten signature in cursive script that reads "Gregory Terrell & Company". The signature is written in dark ink and includes a large, sweeping underline that loops back under the main text.

GREGORY TERRELL & COMPANY

Certified Public Accountants

February 23, 2021

DETROIT CATHOLIC PASTORAL ALLIANCE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JULY 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

ASSETS

	<u>2020</u>	<u>2019</u>
Current Assets		
Cash	\$ 60,822	\$ 75,934
Grants Receivable	105,000	30,000
Accounts Receivable	22,919	25,138
Prepaid Expenses	20,519	72,837
Notes Receivable - Current Portion	<u>10,035</u>	<u>9,741</u>
Total Current Assets	\$ 219,295	\$ 213,650
Note Receivable - Net of Current Portion	76,469	84,708
Real Property Held for Development	563,688	755,087
Property and Equipment (Net)	213,381	221,835
Property Held for Sale	310,561	293,925
Property Leased to Others	<u>4,671,437</u>	<u>4,827,471</u>
Total Assets	<u>\$ 6,054,831</u>	<u>\$ 6,396,676</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 17,067	\$ 19,148
Deferred Revenue	7,125	2,000
Notes Payable - Current Portion	525,218	1,090,637
Deposits	<u>39,960</u>	<u>19,952</u>
Total Current Liabilities	\$ 589,370	\$ 1,131,737
Long-Term Liabilities		
Notes Payable (Net of Current Portion)	<u>3,117,334</u>	<u>2,946,493</u>
Total Liabilities	<u>\$ 3,706,704</u>	<u>\$ 4,078,230</u>
Net Assets		
Without Donor Restrictions	\$ 2,243,127	\$ 2,318,446
With Donor Restrictions	<u>105,000</u>	<u>-</u>
Total Net Assets	<u>\$ 2,348,127</u>	<u>\$ 2,318,446</u>
Total Liabilities and Net Assets	<u>\$ 6,054,831</u>	<u>\$ 6,396,676</u>

The accompanying notes are an integral part of this financial statement.

DETROIT CATHOLIC PASTORAL ALLIANCE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PUBLIC SUPPORT AND REVENUE				
Grants and Contributions	\$ 127,301	\$ 105,000	\$ 232,301	\$ 175,699
Membership Fees/Dues	13,895	-	13,895	9,957
Annual Dinner (Net of Expenses of \$18,098 in 2020 and \$16,734 in 2019)	13,893	-	13,893	11,292
Rental Income	393,862	-	393,862	357,189
Urban Parish	7,501	-	7,501	3,382
Other Income	11,358	-	11,358	16,523
Net Assets Released From Restrictions	-	-	-	-
	<u>\$ 567,810</u>	<u>\$ 105,000</u>	<u>\$ 672,810</u>	<u>\$ 574,042</u>
EXPENSES				
Program Services	\$ 528,260	\$ -	\$ 528,260	\$ 595,707
Supporting Services	114,869	-	114,869	140,844
	<u>\$ 643,129</u>	<u>\$ -</u>	<u>\$ 643,129</u>	<u>\$ 736,551</u>
CHANGE IN NET ASSETS	\$ (75,319)	\$ 105,000	\$ 29,681	\$ (162,509)
NET ASSETS, Beginning of Year	<u>2,318,446</u>	<u>-</u>	<u>2,318,446</u>	<u>2,480,955</u>
NET ASSETS, End of Year	<u>\$ 2,243,127</u>	<u>\$ 105,000</u>	<u>\$ 2,348,127</u>	<u>\$ 2,318,446</u>

The accompanying notes are an integral part of this financial statement.

DETROIT CATHOLIC PASTORAL ALLIANCE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020			2019
	Program Services	Supporting Services General and Administration	Total Expenses	Total Expenses
Salaries	\$ 65,755	\$ 54,631	\$ 120,386	\$ 181,245
Employee Benefits	1,023	850	1,873	3,180
Taxes - Payroll	5,035	3,933	8,968	15,132
Education and Training	-	820	820	2,949
Insurance	48,051	2,529	50,580	44,713
Interest	88,154	4,640	92,794	93,326
Mileage and Parking	360	-	360	686
Postage	1,106	-	1,106	1,380
Professional Fees	4,008	27,754	31,762	22,589
Program Expenses-				
Beautification	426	-	426	2,976
Pre-development	-	-	-	3,600
Office Expense	-	1,830	1,830	2,904
Repairs and Maintenance	82,031	114	82,145	107,102
Supplies	-	1,861	1,861	6,481
Taxes -Other	8,670	456	9,126	21,381
Telephone	3,919	3,207	7,126	7,915
Utilities	43,553	2,292	45,845	39,108
Miscellaneous	19,905	1,728	21,633	15,033
Subtotal	\$ 371,996	\$ 106,645	\$ 478,641	\$ 571,700
Depreciation	156,264	8,224	164,488	164,851
Total Expenses	<u>\$ 528,260</u>	<u>\$ 114,869</u>	<u>\$ 643,129</u>	<u>\$ 736,551</u>

The accompanying notes are an integral part of this financial statement.

DETROIT CATHOLIC PASTORAL ALLIANCE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 29,681	\$ (162,509)
Adjustments to Reconcile Change in Net Assets to Cash (used for) or provided by operating Activities -		
Depreciation Expense	164,488	164,851
Change in Grants Receivable	(75,000)	64,694
Change in Accounts Receivable	2,219	4,095
Change in Prepaid Expenses	52,318	(15,079)
Change in Accounts Payable	(2,081)	(14,345)
Change in Deferred Revenue	5,125	1,070
Change in Deposits	<u>20,008</u>	<u>2,183</u>
Net Cash Provided by Operating Activities	<u>\$ 196,758</u>	<u>\$ 44,960</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Real Property Development Additions	\$ (19,877)	\$ (193,804)
Proceeds from Sale of Development Property	194,800	-
Property Additions	-	(20,336)
Principal Payments from Note Receivable	<u>7,945</u>	<u>9,408</u>
Net cash Provided by (Used for) Investing Activities	<u>\$ 182,868</u>	<u>\$ (204,732)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loans	\$ 208,332	\$ -
Principal Payments on Notes Payable	<u>(603,070)</u>	<u>(181,022)</u>
Net Cash Provided by (Used for) Financing Activities	<u>\$ (394,738)</u>	<u>\$ (181,022)</u>
Net Increase (Decrease) in Cash	\$ (15,112)	\$ (340,794)
CASH, Beginning of Year	<u>75,934</u>	<u>416,728</u>
CASH, End of Year	<u>\$ 60,822</u>	<u>\$ 75,934</u>
Supplemental Disclosure:		
Interest Paid	<u>\$ 87,199</u>	<u>\$ 93,326</u>

The accompanying notes are an integral part of this financial statement.

DETROIT CATHOLIC PASTORAL ALLIANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020

(1) **NATURE OF OPERATIONS**

Detroit Catholic Pastoral Alliance (the "Organization") is a non-profit organization located in the City of Detroit, Michigan. The Organization has five main programs: Affordable Housing Development, Economic Development, Anti-Racism Training, Community Action, and Senior Network. The Organization's membership includes fifteen city churches and over 600 parish members and residents of the metropolitan Detroit area. It is the Organization's mission to pool the forces and resources of its membership together to strengthen the economic, social, and educational quality of life in the City of Detroit.

The Organization has established 8900 Gratiot, LLC, a wholly owned subsidiary formed to act as the developer for the 8900 Gratiot construction project, 249 E, Baltimore, LLC, a wholly owned subsidiary formed for real estate development and Gratiot Woods Construction, LLC, a wholly owned subsidiary formed to act as general contractor for certain commercial and residential construction and rehabilitation projects.

The Organization maintains a 51% ownership interest in 9100 Gratiot Central Commons MM, LLC, a Michigan limited liability company ("Central Commons"). Central Commons was organized for the purpose of owning, developing, operating, managing, and leasing residential projects undertaken by 9100 Gratiot Limited Dividend Housing Association in Detroit, Michigan through funds secured by Low-Income Tax Credits and external debt. Central Commons has a .01% ownership interest in 9100 Gratiot Limited Dividend Housing Association, LLC.

The Organization is the sole member of Milwaukee DCPA, LLC that maintains a .0051% ownership in Milwaukee Junction Limited Dividend Housing Association, LLC.

(2) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Consolidation

The consolidated financial statements include the accounts of the Organization and its subsidiaries. All material intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

Basis of Accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting.

DETROIT CATHOLIC PASTORAL ALLIANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020

(Continued)

(2) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Financial Statement Presentation

Net assets of the Organization and changes therein, are classified and reported as follows:

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions by the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

In 2020, the Organization adopted FASB issued ASU 2018-08, Not-for Profit Entities (Topic 958) – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The update was issued to clarify and improve the scope and accounting for contributions received and contributions made, to assist organizations in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution is conditional.

Revenue Recognition

The Organization reports contributions of cash and other assets as increases in Net Assets Without Donor Restrictions, if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as increases in Net Assets With Donor Restrictions, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, With Donor Restricted Net Assets are reclassified to Without Donor Restricted Net Assets and reported in the statement of activities as net assets released from With Donor Restrictions.

Donated Materials and Services

Donated materials and services are reflected as contributions at their fair market value at the date of receipt. No amounts have been reflected in the financial statements for services of volunteers because they do not create or enhance non-financial assets or involve specialized services.

DETROIT CATHOLIC PASTORAL ALLIANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020
(Continued)

(2) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Accounts Receivable

The Organization reports receivables at net realizable value. Management determines the need for an allowance for doubtful accounts based on historical losses and current economic conditions. No allowance was considered necessary at July 31, 2020 and there were no write-offs of receivables during fiscal 2020. On a continuing basis, management analyzes delinquent receivables and, once these receivables are determined to be uncollectible, they are written off through a charge against earnings.

Advertising

All advertising costs are expensed as incurred.

Properties

Properties include properties held for sale, properties leased to others, and property and equipment used for administrative purposes by the Organization. Properties are defined by the Organization as assets with an initial cost of more than \$400 and an estimated useful life more than one year. These assets and improvements to these assets are recorded at historical cost, whether purchased or constructed.

Properties are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	39 years
Equipment	5 years
Properties Leased to Others	20-39 years

Income Taxes

The Organization is a non-profit organization exempt from Federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. 8900 Gratiot, LLC, 249 E. Baltimore, LLC and Gratiot Woods Construction, LLC have been established as pass-through entities for tax purposes. Therefore, no provisions for federal income taxes have been made in the accompanying consolidated financial statements.

DETROIT CATHOLIC PASTORAL ALLIANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020
(Continued)

(2) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Use of Estimates

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

(3) **CASH**

The Organization has cash deposits with financial institutions. At July 31, 2020, the bank balances of the Organization's accounts (without recognition of checks written but not yet cleared, or of deposits in transit) were \$72,193, all of which was insured by the Federal Deposit Insurance Corporation.

(4) **NOTE RECEIVABLE**

The Organization entered into a Land Contract dated December 1, 2017, after a sale of property for \$110,000. The terms of this contract include payment of principal of \$60,000 at interest of 3% per annum paid in monthly installments of \$911.26 per month for 72 months. The entire remaining balance of principal and interest is to be paid in a full balloon payment on or before 15 years after the date of the Land Contract. The final balloon payment shall be waived if certain conditions are met.

The current and long-term portion of this note is as follows:

2021	\$ 10,035
2022-2034	<u>76,469</u>
Total	<u>\$ 86,504</u>

DETROIT CATHOLIC PASTORAL ALLIANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020
(Continued)

(5) **PROPERTY AND EQUIPMENT**

Property and Equipment at July 31, 2020 consisted of the following:

Buildings and Improvements	\$ 329,692
Equipment	<u>13,826</u>
Total	\$ 343,518
Less Accumulated Depreciation	<u>(130,137)</u>
Net Property and Equipment	<u><u>\$ 213,381</u></u>

(6) **PROPERTY LEASED TO OTHERS**

Property leased to others represents rental units and related building improvements, which are recorded at cost and depreciated on a straight-line basis over their estimated economic lives, ranging from 20 to 39 years. Total depreciation expense for fiscal year 2020 was \$156,034. Many of these assets are leased on an annual basis.

9305 Felch	\$ 1,072,566
8900 Gratiot Residential	2,489,925
8900 Gratiot Commercial	1,523,002
9200 Gratiot DCPA Building	913,364
5807 McClellan	<u>104,046</u>
Total	\$ 6,102,903
Less Accumulated Depreciation	<u>(1,431,466)</u>
Net Property Leased to Others	<u><u>\$ 4,671,437</u></u>

DETROIT CATHOLIC PASTORAL ALLIANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020
(Continued)

(7) NOTES PAYABLE

Notes Payable on July 31, 2020 consisted of the following:

Unsecured Notes Payable:

Congregation of St. Joseph, due 2/1/22 requiring interest only payments at 3% per annum	\$ 60,000
Congregation of St. Joseph, due 12/31/20 requiring interest only payments at 1% per annum	137,000
Seton Enablement Fund, due 10/1/20 interest of 3% per annum and monthly principal and interest payments of \$647	1,930
Seton Enablement Fund, due 1/1/23 interest of 3% per annum and monthly principal and interest payments of \$1,795	50,165
Sisters IHM, due 3/15/23 interest of 4% per annum and monthly principal and interest payments of \$300	24,328
Racine Dominican Sisters, due 4/1/22 interest at 2% requiring quarterly principal and interest payments of \$300	60,000
PNC Paycheck Protection Program interest at 1% payable over 24 months if not forgiven	27,400

Secured Notes Payable:

Mercy Partnership Fund, due 10/4/20 interest of 3% per annum and monthly principal and interest payments of \$1,823	106,156
City of Detroit, construction loan (\$800,000) requiring interest only payments of 1% and 240 monthly payments of \$666.67 commencing 9/1/13 and 100% principal payment due 7/1/33	800,000
City of Detroit, construction loan (\$1,251,312) requiring 0% interest and maturing 7/1/33; the loan self amortizes annually in equal amounts until the principal is deemed paid in full	806,308
Chemical Bank, due 8/7/2025 with interest of 4% per annum requiring monthly principal and interest payments of \$4,783	471,690
IFF Bank, due 11/1/32 with interest of 6% per annum requiring monthly principal and interest payments of \$3,016	389,465
IFF Bank, due 1/1/33 with interest of 6% per annum requiring monthly principal and interest payments of \$3,095	401,819
IFF Bank, due 1/31/20 with interest of 5.625% per annum requiring monthly interest payments	36,155
IFF Bank, due 2/28/20 with interest of 5.625% per annum requiring monthly interest payments	180,932
IFF Bank, due 12/01/29 with interest of 5% per annum requiring monthly principal and interest payments of \$991	<u>89,204</u>
Total	\$ 3,642,552
Less: Current Portion	<u>(525,218)</u>
Long-Term Portion	<u>\$ 3,117,334</u>

DETROIT CATHOLIC PASTORAL ALLIANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020
(Continued)

(7) **NOTES PAYABLE** (cont'd)

The future maturities for the notes payable are as follows:

2021	\$	525,218
2022		237,303
2023		114,741
2024		111,934
2025		143,499
2026-2030		465,379
2031-2033		<u>2,044,478</u>
Total	\$	<u>3,642,552</u>

The secured Notes Payable is secured by mortgages on real property held by the Organization.

On May 5, 2020, the Organization received loan proceeds in the amount of \$27,400 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP loan and accrued interest is forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period.

(8) **LEASES**

The Organization leases certain equipment under operating leases. The minimum future lease payments are as follows:

2021	\$	3,480
2022		3,480
2023		<u>870</u>
Total	\$	<u>7,830</u>

DETROIT CATHOLIC PASTORAL ALLIANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2020
(Continued)

(9) **NET ASSETS**

The Organization had Net Assets With Restrictions related to a \$105,000 grant awarded in June 2020 that contained time restrictions. That grant award is also recorded as a grant receivable in the accompanying financial statements.

(10) **COMMITMENTS AND CONTINGENCIES**

The Organization has received various Federal loans and grants to fund operating costs as well as project costs. These Federal loans and grants contain provisions and other requirements that must be complied with by the Organization and are subject to audit and/or review. If the Federal loans or grants requirements are not met by the Organization, the Organization may be required to accelerate payment of the loans or reimburse the grantor agencies for grant funds expended.

(11) **2019 FINANCIAL DATA**

The consolidated financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended July 31, 2019.

(12) **AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets on July 31, 2020:

Financial Assets at Year End:

Cash	\$ 60,822
Accounts Receivable	22,919
Note Receivable - Current Portion	<u>10,035</u>
Total	\$ 93,776

Less Amounts Not Available to be Used Within One Year

-

**Financial Assets Available to Meet General Expenses
Over the Next Twelve Months**

\$ 93,776

DETROIT CATHOLIC PASTORAL ALLIANCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2020

(Continued)

(13) **COVID-19**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries including the U.S. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impacts on the Organization's tenants, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

(14) **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 23, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether changes to the financial statements would be required.

In January 2021, the Organization sold real property located at 249 E. Baltimore in Detroit for \$750,000. In addition, the Organization paid off loans and accrued interest of \$33,023 to IFF and \$100,525 to Mercy Partnership Fund.

SUPPLEMENTAL SCHEDULES

DETROIT CATHOLIC PASTORAL ALLIANCE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JULY 31, 2020

ASSETS	Detroit Catholic Pastoral Alliance		Gratiot Woods Construction LLC		Intercompany Eliminations		Consolidated Total
	8900 Gratiot LLC	249 E. Baltimore LLC					
Current Assets							
Cash	\$ 21,802	\$ 38,353	\$ 667	\$ -	\$ -	\$ -	\$ 60,822
Grants Receivable	105,000	-	-	-	-	-	105,000
Accounts Receivable	15,015	7,904	-	-	-	-	22,919
Prepaid Expenses	5,619	14,900	-	-	-	-	20,519
Notes Receivable - Current Portion	10,035	-	-	-	-	-	10,035
Total Current Assets	\$ 157,471	\$ 61,157	\$ 667	\$ -	\$ -	\$ -	\$ 219,295
Note Receivable - Net of Current Portion	76,469	-	-	-	-	-	76,469
Real Property Held for Development	1,222,742	-	-	-	(659,054)	-	563,688
Property and Equipment (Net)	213,381	-	-	-	-	-	213,381
Property Held for Sale	100,811	-	17,250	192,500	-	-	310,561
Property Leased to Others	1,376,696	3,294,741	-	-	-	-	4,671,437
Total Assets	\$ 3,147,570	\$ 3,355,898	\$ 17,917	\$ 192,500	\$ (659,054)	-	\$ 6,054,831
LIABILITIES AND NET ASSETS							
Current Liabilities							
Accounts Payable	\$ 15,042	\$ 2,025	\$ -	\$ -	\$ -	\$ -	\$ 17,067
Deferred Revenue	7,125	-	-	-	-	-	7,125
Notes Payable - Current Portion	478,857	46,361	-	-	-	-	525,218
Deposits	32,023	7,937	-	-	-	-	39,960
Total Current Liabilities	\$ 533,047	\$ 56,323	\$ -	\$ -	\$ -	\$ -	\$ 589,370
Long-Term Liabilities							
Notes Payable (Net of Current Portion)	715,938	2,401,396	-	-	-	-	3,117,334
Total Liabilities	\$ 1,248,985	\$ 2,457,719	\$ -	\$ -	\$ -	\$ -	\$ 3,706,704
Net Assets							
Without Donor Restrictions	\$ 1,793,585	\$ 898,179	\$ 17,917	\$ 192,500	\$ (659,054)	-	\$ 2,243,127
With Donor Restrictions	105,000	-	-	-	-	-	105,000
Total Net Assets	\$ 1,898,585	\$ 898,179	\$ 17,917	\$ 192,500	\$ (659,054)	-	\$ 2,348,127
Total Liabilities and Net Assets	\$ 3,147,570	\$ 3,355,898	\$ 17,917	\$ 192,500	\$ (659,054)	-	\$ 6,054,831

DETROIT CATHOLIC PASTORAL ALLIANCE
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2020

	Detroit Catholic		Gratiot Woods		Intercompany Eliminations	Consolidated Total
	Pastoral Alliance	8900 Gratiot LLC	Construction LLC	249 E. Baltimore LLC		
PUBLIC SUPPORT AND REVENUE						
Grants and Contributions	\$ 171,770	\$ 60,531	\$ -	\$ -	\$ -	\$ 232,301
Membership Fees/Dues	13,895	-	-	-	-	13,895
Annual Dinner (Net of Expenses of \$18,098)	13,893	-	-	-	-	13,893
Rental Income	168,609	225,253	-	-	-	393,862
Urban Parish	7,501	-	-	-	-	7,501
Other Income	10,155	1,203	-	-	-	11,358
Management Fee Income	60,000	-	-	-	(60,000)	-
Total Public Support and Revenue	<u>\$ 445,823</u>	<u>\$ 286,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ 672,810</u>
EXPENSES						
Program Services	\$ 288,805	\$ 233,668	\$ 5,787	\$ -	\$ -	\$ 528,260
Supporting Services	114,869	60,000	-	-	(60,000)	114,869
Total Expenses	<u>\$ 403,674</u>	<u>\$ 293,668</u>	<u>\$ 5,787</u>	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ 643,129</u>
CHANGE IN NET ASSETS	\$ 42,149	\$ (6,681)	(5,787)	\$ -	\$ -	\$ 29,681
NET ASSETS, Beginning of Year	1,856,436	904,860	23,704	192,500	(659,054)	2,318,446
NET ASSETS, End of Year	<u>\$ 1,898,585</u>	<u>\$ 898,179</u>	<u>\$ 17,917</u>	<u>\$ 192,500</u>	<u>\$ (659,054)</u>	<u>\$ 2,348,127</u>