

DENVER SEMINARY

Statements of Financial Position

	June 30,	
	2017	2016
ASSETS:		
Cash and cash equivalents	\$ 1,910,987	\$ 491,888
Restricted cash	537,930	521,319
Investments	15,601,801	14,404,026
Accounts receivable–net	177,801	161,888
Prepaid expenses and other assets	375,378	371,644
Trust assets	894,916	848,715
Property and equipment–net	18,887,014	20,014,901
 Total Assets	 \$ 38,385,827	 \$ 36,814,381
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	\$ 308,517	\$ 262,728
Deferred revenue	725,505	604,168
Line of credit	100,000	700,000
Capital lease obligations	344,028	388,244
Interest rate swap	53,953	153,316
Annuity payable	233,797	261,247
Trust liability	636,446	613,509
Bonds payable–net	4,523,301	5,025,577
	6,925,547	8,008,789
 Net assets:		
Unrestricted:		
Operating	11,977,771	12,861,805
Board-designated quasi endowments	2,465,725	2,357,100
	14,443,496	15,218,905
Temporarily restricted	9,650,101	6,318,483
Permanently restricted	7,366,683	7,268,204
	31,460,280	28,805,592
 Total Liabilities and Net Assets	 \$ 38,385,827	 \$ 36,814,381

See notes to financial statements

DENVER SEMINARY

Statements of Activities

Year Ended June 30,

	2017				2016			
	Temporarily		Permanently		Temporarily		Permanently	
	Unrestricted	Restricted	Restricted	Total	Unrestricted	Restricted	Restricted	Total
REVENUE AND SUPPORT:								
Tuition and fees	\$ 7,708,905	-	-	\$ 7,708,905	\$ 7,363,220	-	-	\$ 7,363,220
Less scholarships and grants	(1,411,993)	-	-	(1,411,993)	(1,392,464)	-	-	(1,392,464)
Net tuition and fees	6,296,912	-	-	6,296,912	5,970,756	-	-	5,970,756
Contributions	1,069,086	4,012,895	98,479	5,180,460	1,379,806	1,873,603	1,169,678	4,423,087
Auxiliary services and other	1,421,649	9,670	-	1,431,319	1,292,508	7,054	-	1,299,562
Total Revenue and Support	8,787,647	4,022,565	98,479	12,908,691	8,643,070	1,880,657	1,169,678	11,693,405
NET ASSETS RELEASED FROM:								
Purpose restrictions	2,105,091	(2,105,091)	-	-	1,700,050	(1,700,050)	-	-
EXPENSES:								
Compensation and benefits	8,563,425	-	-	8,563,425	8,282,876	-	-	8,282,876
Office	688,234	-	-	688,234	581,297	-	-	581,297
Advertising and printing	382,368	-	-	382,368	353,740	-	-	353,740
Travel, meals, and entertainment	372,659	-	-	372,659	400,226	-	-	400,226
Maintenance and repairs	359,607	-	-	359,607	343,977	-	-	343,977
Utilities and telephone	310,976	-	-	310,976	290,923	-	-	290,923
Professional services	229,342	-	-	229,342	171,709	-	-	171,709
Interest	154,990	-	-	154,990	141,339	-	-	141,339
Other	202,334	-	-	202,334	219,348	-	-	219,348
Total expenses before depreciation and amortization	11,263,935	-	-	11,263,935	10,785,435	-	-	10,785,435
Change in net assets from operations before depreciation and amortization	(371,197)	1,917,474	98,479	1,644,756	(442,315)	180,607	1,169,678	907,970

(continued)

See notes to financial statements

DENVER SEMINARY

Statements of Activities

(continued)

	Year Ended June 30,			
	2017		2016	
	Unrestricted	Temporarily Restricted	Temporarily Restricted	Total
Depreciation and amortization expense	1,405,434	-	1,405,434	1,425,436
Change in net assets from operating activities	<u>(1,776,631)</u>	<u>98,479</u>	<u>(1,867,751)</u>	<u>(517,466)</u>
NON-OPERATING ACTIVITY:				
Investment (loss) income	339,884	-	1,730,806	(448,148)
Mineral royalties income	632,865	-	632,865	438,603
Change in value of annuities and trusts	(70,890)	-	(47,668)	(94,865)
Change in value of interest rate swap	99,363	-	99,363	23,422
	<u>1,001,222</u>	<u>-</u>	<u>2,415,366</u>	<u>(80,988)</u>
Change in Net Assets	(775,409)	98,479	2,654,688	(598,454)
Net Assets, Beginning of Year	15,218,905	7,268,204	28,805,592	29,404,046
Net Assets, End of Year	<u>\$ 14,443,496</u>	<u>\$ 7,366,683</u>	<u>\$ 31,460,280</u>	<u>\$ 28,805,592</u>

See notes to financial statements

DENVER SEMINARY

Statements of Cash Flows

	Year Ended June 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,654,688	\$ (598,454)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,405,434	1,425,436
Bad debt	27,630	37,121
Gift received of non-cash asset	-	(185,952)
Net realized and unrealized (gains) losses on investments and trusts	(1,427,176)	865,602
Change in value of annuities and trusts	47,668	94,865
Change in value of interest rate swap	(99,363)	(23,422)
Contributions restricted for long-term purposes	(98,479)	(1,593,886)
Change in operating assets and liabilities:		
Accounts receivable–net	(43,543)	12,889
Prepaid expenses and other assets	(3,734)	(100,685)
Accounts payable and other liabilities	45,789	(35,103)
Deferred revenue	121,337	34,953
Net Cash Provided (Used) by Operating Activities	2,630,251	(66,636)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in restricted cash	(16,611)	(14,747)
Purchase of investments	(1,907,545)	(1,836,408)
Proceeds from sale of investments	2,131,278	677,798
Purchases of property and equipment	(106,697)	(313,415)
Net Cash Provided (Used) by Investing Activities	100,425	(1,486,772)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line-of credit	800,000	400,000
Payments on line-of-credit	(1,400,000)	-
Payments on capital lease obligations	(207,342)	(180,494)
Payments on bonds payable	(510,000)	(495,000)
Contributions restricted for long-term purposes	98,479	1,593,886
Payments on annuities	(92,714)	(96,828)
Net Cash Provided (Used) by Financing Activities	(1,311,577)	1,221,564
Change in Cash and Cash Equivalents	1,419,099	(331,844)
Cash and Cash Equivalents, Beginning of Year	491,888	823,732
Cash and Cash Equivalents, End of Year	\$ 1,910,987	\$ 491,888
SUPPLEMENTAL DISCLOSURE AND NON-CASH ITEM:		
Cash paid for interest (\$0 was capitalized for the years ended June 30, 2017 and 2016)	\$ 157,373	\$ 144,224
Property and equipment additions financed through capital leases	\$ 163,126	\$ -

See notes to financial statements