

**THE DETROIT CREATIVITY PROJECT  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**



[CLAconnect.com](http://CLAconnect.com)

WEALTH ADVISORY  
OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING

**THE DETROIT CREATIVITY PROJECT  
TABLE OF CONTENT  
DECEMBER 31, 2019 AND 2018**

<b>INDEPENDENT ACCOUNTANTS' REVIEW REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS:</b>	
<b>Statements of Financial Position</b>	<b>2</b>
<b>Statements of Activities</b>	<b>3</b>
<b>Statements of Cash Flows</b>	<b>5</b>
<b>Statements of Functional Expenses</b>	<b>6</b>
<b>Notes to Financial Statements</b>	<b>7</b>



## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees of  
The Detroit Creativity Project  
Venice, California

We have reviewed the accompanying financial statements of The Detroit Creativity Project ("DCP") which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility 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; this includes 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.

### ***Accountants' Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### ***Accountants' Conclusion***

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Pasadena, California  
February 18, 2020

**THE DETROIT CREATIVITY PROJECT  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>ASSETS</b>		
Cash	\$ 219,078	\$ 42,156
Contributions receivable	5,000	20,782
	<b>\$ 224,078</b>	<b>\$ 62,938</b>
<b>NET ASSETS</b>		
Net assets without donor restrictions	\$ 216,358	\$ 22,111
Net assets with donor restrictions	7,720	40,827
	<b>\$ 224,078</b>	<b>\$ 62,938</b>

**THE DETROIT CREATIVITY PROJECT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Grants and contribution revenue	\$ 195,888	\$ 7,720	\$ 203,608
Donated rent	1,950	-	1,950
Donated services	9,100	-	9,100
Donated goods	4,414	-	4,414
Special events	160,704	-	160,704
Program service fees	2,575	-	2,575
Interest income	49	-	49
Net assets released from restrictions	40,827	(40,827)	-
	<u>415,507</u>	<u>(33,107)</u>	<u>382,400</u>
<b>EXPENSES</b>			
Program expenses	157,180	-	157,180
Management and general expenses	14,719	-	14,719
Fundraising expenses	49,361	-	49,361
	<u>221,260</u>	<u>-</u>	<u>221,260</u>
Change in net assets	194,247	(33,107)	161,140
<b>NET ASSETS - Beginning of Year</b>	<u>22,111</u>	<u>40,827</u>	<u>62,938</u>
<b>NET ASSETS - End of Year</b>	<u><u>\$ 216,358</u></u>	<u><u>\$ 7,720</u></u>	<u><u>\$ 224,078</u></u>

**THE DETROIT CREATIVITY PROJECT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

	Without donor restrictions	With donor restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants and contribution revenue	\$ 101,788	\$ 40,827	\$ 142,615
Donated rent	3,000	-	3,000
Donated services	11,659	-	11,659
Donated goods	2,676	-	2,676
Special events	44,644	-	44,644
Program service fees	3,320	-	3,320
Interest income	1	-	1
Net assets released from restrictions	5,850	(5,850)	-
Total revenue and support	172,938	34,977	207,915
<b>EXPENSES</b>			
Program expenses	141,757	-	141,757
Management and general expenses	20,348	-	20,348
Fundraising expenses	19,849	-	19,849
Total expenses	181,954	-	181,954
Total change in net assets	(9,016)	34,977	25,961
<b>NET ASSETS - Beginning of year</b>	31,127	5,850	36,977
<b>NET ASSETS - End of year</b>	\$ 22,111	\$ 40,827	\$ 62,938

**THE DETROIT CREATIVITY PROJECT  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 161,140	\$ 25,961
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions receivable	15,782	(15,717)
Net cash provided by operating activities	176,922	10,244
<b>NET CHANGE IN CASH</b>	176,922	10,244
<b>CASH - Beginning of year</b>	42,156	31,912
<b>CASH - End of year</b>	\$ 219,078	\$ 42,156

**THE DETROIT CREATIVITY PROJECT  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019				2018			
	Program	Management and general	Fundraising	Total	Program	Management and general	Fundraising	Total
Awards and grants	\$ 137,449	\$ -	\$ -	\$ 137,449	\$ 122,480	\$ -	\$ -	\$ 122,480
Insurance	1,217	626	100	1,943	-	1,684	373	2,057
Marketing expense	53	1,259	5,535	6,847	35	603	3,868	4,506
Office expenses and supplies	-	1,820	345	2,165	-	2,352	167	2,519
Professional services (donated)	500	-	8,600	9,100	-	9,859	1,800	11,659
Professional services	3,987	7,300	6,250	17,537	3,500	5,850	1,000	10,350
Rent expense (donated)	1,350	-	600	1,950	3,000	-	-	3,000
Rent expense	-	512	25,901	26,413	-	-	11,061	11,061
Travel expense	327	3,202	2,030	5,559	3,432	-	1,580	5,012
Other program expenses	12,297	-	-	12,297	9,310	-	-	9,310
<b>Total expenses</b>	<b>\$ 157,180</b>	<b>\$ 14,719</b>	<b>\$ 49,361</b>	<b>\$ 221,260</b>	<b>\$ 141,757</b>	<b>\$ 20,348</b>	<b>\$ 19,849</b>	<b>\$ 181,954</b>

**THE DETROIT CREATIVITY PROJECT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 NATURE OF THE ORGANIZATION**

The Detroit Creativity Project, ("DCP") was incorporated as a California non-profit organization with a mission to empower and inspire Detroit's young people through improvisation, an art form that helps students build confidence and develop a creative and collaborative approach to their lives. DCP created The Improv Project, a 10-week program offered during the fall and spring school semesters to teach middle and high school students in Detroit the art of improvisation. These students represent diverse ethnic and cultural groups, and come from neighborhoods across Detroit, Hamtramck, and Downriver area. The majority of those served are considered economically disadvantaged by federal measures. In 2018 and 2019 DCP contracted with YMCA of Metropolitan Detroit to administer The Improv Project at several schools and non-profit service organizations. Most of these programs were offered at no charge. There was a small portion of revenue attributed to paid programs.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of DCP have been prepared on the accrual basis of accounting in conform to generally accepted accounting principles in the United States of America (US GAAP) as applicable to non-profit organizations. Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets without Donor Restrictions**

Net assets available for use in general operations and not subject to donor restrictions and donor restricted contributions whose restrictions are met in the same reporting period.

**Net Assets with Donor Restrictions**

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Revenue and Expense Recognition**

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

**THE DETROIT CREATIVITY PROJECT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

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

**Grants and Contribution Revenue**

Contributions that constitute unconditional promises to give are recorded as receivables and revenues. For financial reporting purposes, DCP distinguishes between contributions of net assets without donor restrictions and net assets with donor restrictions. Contributions on which donors have imposed restrictions which limit the use of the donated assets are reported as restricted. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Contributed assets which are subject to perpetual donor restrictions and from which only the current income may be used are classified as net assets with donor restrictions. Although restricted contributions typically are reported as support that increases net assets with donor restrictions, they may be reported as unrestricted support if the restrictions are met in the same reporting period, the policy is followed consistently, and it is disclosed.

**In-Kind Donations**

Donated services and donated rent are recognized at fair value. Donated services are recognized 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. During the year ended December 31, 2018 and 2019, DCP received donated services from artists for performance, donated rent for special events, and donated professional services for program evaluation and by-law revision.

Directors and officers have made a significant contribution of their time to develop DCP and its programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such efforts under US GAAP have not been satisfied.

**Concentration of Credit Risk**

DCP maintains cash balances and certificates of deposit in one bank. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to statutory limits.

For the years ended December 31, 2019 and 2018, three and two donors accounted for approximately 35% and 29% of the total contribution revenues, respectively.

**Income Taxes**

DCP is a California nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, no provision for income taxes was included in these financial statements.

U.S. GAAP provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by DCP are more likely than not to be sustained upon examination.

**THE DETROIT CREATIVITY PROJECT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

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

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP may require management to make estimates and assumptions that affect certain reported amount and disclosures. Actual results could differ from those estimates.

**Functional Allocation of Expenses**

The functional allocation of expenses shared between program, management and general, and fundraising are based on a reasonable and consistent basis upon the estimated benefit received by each function.

**Subsequent Events**

In preparing these financial statements, DCP has evaluated events and transactions for potential recognition or disclosure through February 18, 2020, the date the financial statements were available to be issued.

**New Accounting Pronouncement**

In June 2018, FASB issued ASU 2018-08 Not-For-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard distinguishes between contributions and exchange transactions and assists in determining which guidance to apply. For contributions received, the effective date is for annual periods beginning after December 15, 2018; for contributions made, the effective date is for annual periods beginning after December 15, 2019. The application of this standard resulted in no change to the total reported contributions received and contributions made. Our financial statements reflect the application of ASU 2018-08 beginning January 1, 2019.

**NOTE 3 LIQUIDITY AND RESERVES**

At December 31, 2019 and 2018, DCP has the following financial assets available to meet cash needs for general expenditures within one year.

	2019	2018
Cash	\$ 219,078	\$ 42,156
Contributions receivable within one year	5,000	20,782
Total	224,078	62,938
Less: Restricted net assets for specific purpose	(2,720)	-
Total for general expenditures	<u>\$ 221,358</u>	<u>\$ 62,938</u>

In addition to financial assets available to meet general expenditures over the next 12 months, DCP operates with a balanced budget and anticipates collecting sufficient contributions to cover general expenditures. During the years ended December 31, 2019 and 2018, DCP was able to meet its cash needs.

**THE DETROIT CREATIVITY PROJECT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

Contributions receivable of \$5,000 has been collected in January 2020.

**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2019 and 2018, net assets with donor restrictions are as follows:

	<u>2019</u>	<u>2018</u>
Time-restricted	\$ 5,000	\$ 40,827
InsideOut Literary Arts	<u>2,720</u>	<u>-</u>
Total	<u>\$ 7,720</u>	<u>\$ 40,827</u>

During the years ended December 31, 2019 and 2018, the following were released from donor restrictions by incurring such expenses:

	<u>2019</u>	<u>2018</u>
Web-based fundraising software	\$ -	\$ 2,490
Program evaluation	-	2,360
Professional development	-	1,000
Time-restricted	<u>40,827</u>	<u>-</u>
Total	<u>\$ 40,827</u>	<u>\$ 5,850</u>

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,  
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

