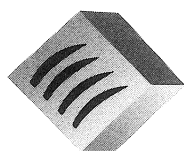


**ELEVATE METRO KC**  
**YEAR ENDED JUNE 30, 2021 AND PERIOD FROM**  
**JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020**



**HOUSE PARK DOBRATZ & WIEBLER, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

# ELEVATE METRO KC

YEAR ENDED JUNE 30, 2021 AND PERIOD FROM  
JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020

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**HOUSE PARK DOBRATZ & WIEBLER, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

STANLEY H. HOUSE  
MICHAEL A. DOBRATZ  
STEVEN V. WIEBLER  
WILLIAM S. LACY, JR.

605 WEST 47TH STREET • SUITE 301  
KANSAS CITY, MISSOURI 64112  
TEL. (816) 931-3393  
FAX: (816) 931-9636

## **Independent Auditors' Report**

To the Board of Directors  
Elevate Metro KC  
Kansas City, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Elevate Metro KC (the Organization), which comprise the statements of financial position as of June 30, 2021 and 2020 and the related statements of activities and change in net assets, functional expenses, and cash flows for the year ended June 30, 2021 and period from January 16, 2019 (inception) to June 30, 2020, and the related notes to the financial statements.

### **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 of America; 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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.

(continued)

## Independent Auditors' Report (continued)

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Elevate Metro KC as of June 30, 2021 and 2020, and the change in its net assets and its cash flows for the year ended June 30, 2021 and period from January 16, 2019 (inception) to June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

*House Park Dobratz & Wiebler, P.C.*

Kansas City, Missouri  
October 26, 2021

**ELEVATE METRO KC**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash	\$ 484,236	\$ 309,945
Grants and contributions receivable	64,250	
Pledges receivable, current (Note 2)	16,667	
Prepaid expenses	<u>4,551</u>	<u>3,003</u>
Total current assets	569,704	312,948
Pledges receivable, less current portion (Note 2)	31,776	
Property and equipment (Note 3)	<u>36,676</u>	<u>47,234</u>
	<u>\$ 638,156</u>	<u>\$ 360,182</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Current portion of PPP loan payable (Note 4)		\$ 9,864
Accounts payable	\$ 1,206	721
Accrued expenses (Note 5)	<u>10,419</u>	<u>7,960</u>
	<u>11,625</u>	<u>18,545</u>
PPP loan payable, less current portion (Note 4)		<u>36,336</u>
Contingency (Note 10)		
Net assets:		
Without donor restrictions	509,015	305,301
With donor restrictions (Note 6)	<u>117,516</u>	<u>305,301</u>
	<u>626,531</u>	<u>305,301</u>
	<u>\$ 638,156</u>	<u>\$ 360,182</u>

See notes to financial statements.

**ELEVATE METRO KC**

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

YEAR ENDED JUNE 30, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Contributions and grants (Note 8)	\$ 352,429	\$ 237,376	\$ 589,805
Government grants (Note 4)	46,200		46,200
Interest income	668		668
Net assets released from program restrictions	<u>119,860</u>	<u>( 119,860)</u>	<u>        </u>
	<u>519,157</u>	<u>117,516</u>	<u>636,673</u>
Expenses:			
Program	169,329		169,329
Management and general	97,441		97,441
Fundraising	<u>48,673</u>		<u>48,673</u>
Total operating expenses	<u>315,443</u>		<u>315,443</u>
Change in net assets	203,714	117,516	321,230
Net assets, beginning of year	<u>305,301</u>	<u>        </u>	<u>305,301</u>
Net assets, end of year	<u>\$ 509,015</u>	<u>\$ 117,516</u>	<u>\$ 626,531</u>

See notes to financial statements.

## ELEVATE METRO KC

### STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS PERIOD FROM JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Contributions and grants (Note 8)	\$ 540,537	\$ 104,000	\$ 644,537
In-kind contributions	3,272		3,272
Other	1,536		1,536
Net assets released from program restrictions	<u>104,000</u>	( <u>104,000</u> )	<u>--</u>
	<u>649,345</u>	<u>--</u>	<u>649,345</u>
Expenses:			
Program	190,083		190,083
Management and general	112,936		112,936
Fundraising	<u>41,025</u>		<u>41,025</u>
Total operating expenses	<u>344,044</u>		<u>344,044</u>
Change in net assets	305,301		305,301
Net assets, beginning of period	<u>--</u>		<u>--</u>
Net assets, end of period	<u>\$ 305,301</u>	<u>\$ --</u>	<u>\$ 305,301</u>

See notes to financial statements.

## ELEVATE METRO KC

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 128,242	\$ 46,820	\$ 35,618	\$ 210,680
Employee benefits (Note 7)	15,309	11,920	4,281	31,510
Payroll taxes	<u>10,873</u>	<u>3,823</u>	<u>2,963</u>	<u>17,659</u>
	154,424	62,563	42,862	259,849
Depreciation (Note 3)	5,352	5,206		10,558
Fundraising events		10		10
Insurance		6,252		6,252
Office expense	3,789	6,763	400	10,952
Professional fees		16,617	5,411	22,028
Program expenses	3,152			3,152
Property tax refunds		( 2,390)		( 2,390)
Repairs and maintenance		52		52
Telephone and internet	1,515	985		2,500
Travel and meetings	<u>1,097</u>	<u>1,383</u>	<u>          </u>	<u>2,480</u>
	<u>\$ 169,329</u>	<u>\$ 97,441</u>	<u>\$ 48,673</u>	<u>\$ 315,443</u>

See notes to financial statements



## ELEVATE METRO KC

### STATEMENT OF FUNCTIONAL EXPENSES

PERIOD FROM JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020

	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 140,006	\$ 55,544	\$ 27,997	\$ 223,547
Employee benefits (Note 7)	17,528	13,968	3,646	35,142
Payroll taxes	12,054	6,232	2,385	20,671
	<u>169,588</u>	<u>75,744</u>	<u>34,028</u>	<u>279,360</u>
Automobile repair and maintenance	2,858			2,858
Books and subscriptions	95	1,024		1,119
Depreciation (Note 3)	5,556			5,556
Fundraising events			2,474	2,474
Insurance		14,110		14,110
Marketing			3,970	3,970
Miscellaneous		915		915
Office expense	3,212	2,856	348	6,416
Professional fees		12,424		12,424
Program expenses	2,390	47	4	2,441
Staff development	47	1,072		1,119
Telephone and internet	1,393	1,490		2,883
Travel and meetings	4,944	3,254	201	8,399
	<u>\$ 190,083</u>	<u>\$ 112,936</u>	<u>\$ 41,025</u>	<u>\$ 344,044</u>

See notes to financial statements

## ELEVATE METRO KC

### STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2021 AND PERIOD FROM  
JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in nets assets	\$ 321,230	\$ 305,301
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
PPP loan forgiveness	( 46,200)	
Depreciation	10,558	5,556
Changes in operating assets and liabilities:		
Grants and contributions receivable	( 64,250)	
Pledges receivable	( 48,443)	
Prepaid expenses	( 1,548)	( 3,003)
Accounts payable	485	721
Accrued expenses	2,459	7,960
Net cash provided by operating activities	<u>174,291</u>	<u>316,535</u>
Cash flows from investing activities, purchase of property and equipment		( 52,790)
Cash flows from financing activities, proceeds from PPP loan		<u>46,200</u>
Net increase in cash	174,291	309,945
Cash, beginning of period	<u>309,945</u>	<u>          </u>
Cash, end of period	<u>\$ 484,236</u>	<u>\$ 309,945</u>

See notes to financial statements.

# ELEVATE METRO KC

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021 AND PERIOD FROM  
JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020

### 1. Organization and summary of significant accounting policies:

#### *Organization:*

Elevate Metro KC (the Organization) is a not-for-profit corporation that works to build long-term, life-changing relationships with urban youth, equipping them to thrive and contribute to the Greater Kansas City community. The Organization became a nonprofit on January 16, 2019 and has a fiscal year-end of June 30. The Organization is a local affiliate of Elevate USA, a national organization headquartered in Colorado. In the year ended June 30, 2021 and the period ended June 30, 2020, the Organization derived 20% and 60% of its revenue from Elevate USA, respectively, including pass-through contributions and matching grants.

#### *Basis of accounting:*

All financial transactions have been recorded in and reported by the following net asset groups:

Net assets without donor restrictions represent resources over which the Board of Directors has discretionary control and are used to carry out operations of the Organization in accordance with its bylaws.

Net assets with donor restrictions represent resources available for use currently or in the future, but are expendable only for purposes specified by the donor, within a donor-designated time period, or are limited by donor-imposed stipulations that the corpus be held in perpetuity. Resources of these funds originate from gifts and grants.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### *Estimates and assumptions:*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Income taxes:*

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's policy is to provide liabilities for uncertain income tax provisions when a liability is probable and estimable. The Organization has no uncertain tax positions for the year ended June 30, 2021 and is not aware of any violation of its tax status as an organization exempt from income taxes.

## ELEVATE METRO KC

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2021 AND PERIOD FROM  
JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020

#### 1. Organization and summary of significant accounting policies (continued):

##### *Fair value of financial instruments:*

The carrying amounts of financial instruments including cash, grants and contributions receivable, pledges receivable, prepaid expenses, accounts payable, and accrued expenses approximated fair values as of June 30, 2021 due to their short-term nature.

##### *Concentrations of credit risk:*

The Organization maintains its cash at institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances frequently exceed FDIC insurance coverage. At June 30, 2021, the Organization had \$181,151 in uninsured cash balances.

##### *Property and equipment:*

Property and equipment are stated at cost, if purchased, and at fair market value at date of gift, if donated. Depreciation is provided by the straight-line method over the estimated useful lives of the assets ranging from five to ten years.

Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized.

##### *Contributed goods and services:*

The Organization receives in-kind donations including food and beverages for event space and miscellaneous expenses. All in-kind contributions are valued at fair value determined at the time of contribution.

Unpaid volunteers make contributions of their time to the Organization. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

##### *Marketing costs:*

The Organization expenses all marketing costs as incurred. Marketing costs were \$0 and \$3,970 for the year ended June 30, 2021 and period ended June 30, 2020.

##### *Functional allocation of expenses:*

The costs of providing the various programs and other activities have been summarized on a functional basis. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on management's estimate of resources devoted to the program or support service.

## ELEVATE METRO KC

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2021 AND PERIOD FROM  
JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020

**1. Organization and summary of significant accounting policies (continued):**

*Subsequent events:*

Subsequent events have been evaluated through October 26, 2021, which is the date the financial statements were available to be issued.

**2. Pledges receivable:**

	June 30,	
	2021	2020
Receivable within one year	\$ 16,667	
Receivable within two to five years	33,333	
	50,000	
Less unamortized discount	1,557	
	48,443	
Less current portion	16,667	
	\$ 31,776	\$ --

Pledges due more than one year from June 30, 2021 have been discounted at 3.25%.

**3. Property and equipment:**

The following is a summary of property and equipment as of June 30, 2021 and 2020:

	2021	2020
Equipment	\$ 52,790	\$ 52,790
Accumulated depreciation	( 16,114)	( 5,556)
	\$ 36,676	\$ 47,234

Depreciation expense was \$10,558 and \$5,556 for the year ended June 30, 2021 and period ended June 30, 2020, respectively.

**4. Note payable:**

In April 2020, the Organization received a loan under the government's Paycheck Protection Program (PPP) in the amount of \$46,200. The loan was obtained through a local bank. PPP loans received through the government are forgivable provided the recipients meet certain requirements. The requirements relate to spending the funds primarily for salaries. The Organization received notification from the bank that the loan was forgiven in accordance with the intent of the program in March 2021, and the debt forgiveness is included in government grants revenue.

## ELEVATE METRO KC

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2021 AND PERIOD FROM  
JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020

#### 5. Accrued expenses:

The following is a summary of accrued expenses as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Accrued payroll	\$ 2,538	\$ 2,768
Accrued PTO	6,947	5,192
Other accrued expenses	<u>934</u>	<u>          </u>
	<u>\$ 10,419</u>	<u>\$ 7,960</u>

#### 6. Net assets with donor restrictions:

As of June 30, 2021 and 2020, net assets subject to expenditure for specified programs or within a donor-designated time period comprise the following:

	<u>2021</u>	<u>2020</u>
Digital fundraising campaign	\$ 12,600	
Various program initiatives	73,140	
Pledges receivable after one year	<u>31,776</u>	
	<u>\$ 117,516</u>	<u>\$ --</u>

#### 7. Employee benefit plan:

The Organization participates in Elevate USA's 401(k) plan (Note 8) which covers all employees. Participants can elect to make tax deferred contributions to the Plan subject to statutory limits. The Organization matches participant contributions up to 6.86% of compensation. Contributions totaling \$2,963 and \$1,974 were made to the Plan by the Organization for the year ended June 30, 2021 and period ended June 30, 2020, respectively. The Organization also pays the Executive Director's whole life policy annual premium as a retirement benefit. The amount paid for this benefit was \$5,882 and \$3,860 for the year ended June 30, 2021 and period ended June 30, 2020, respectively.

#### 8. Related party transactions:

Elevate USA provides matching grants for certain contributions and grants received by the Organization and periodically collects donations on behalf of the Organization. For the year ended June 30, 2021 and period ended June 30, 2020, contribution and grant revenue received from Elevated USA totaled \$126,587 and \$386,715, respectively.

Certain full-time employees participate in health and welfare benefit plans maintained by Elevate USA. Local affiliates share in the cost of such programs without serving as the plan sponsor.

## ELEVATE METRO KC

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2021 AND PERIOD FROM  
JANUARY 16, 2019 (INCEPTION) TO JUNE 30, 2020

#### 9. Liquidity:

The Organization utilizes a 30-day horizon to assess its immediate liquidity needs. The period was established based on management's review of the typical life cycle of converting its financial assets to cash and typical payments of payroll and trade payables.

The following reflects the Organization's financial assets as of June 30, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

Cash	\$ 484,236
Grants and contributions receivable	64,250
Pledges receivable, current	16,667
Accounts payable	( 1,206)
Accrued expenses	( 10,419)
Temporarily restricted net assets, less pledges receivable after one year	( <u>85,740</u> )
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 467,788</u>

#### 10. COVID-19:

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide.

As of the date of the independent auditors' report, management cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may impact the financial position, results of operations, and cash flows in fiscal 2022.