

RAISEUP FAMILIES
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
JUNE 30, 2021 AND 2020

RAISEUP FAMILIES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
RaiseUp Families
Houston, Texas

We have audited the accompanying financial statements of RaiseUp Families, (a Texas nonprofit organization), which comprise the statements of assets, liabilities and net assets - modified cash basis as of June 30, 2021 and 2020, and the related statements of support, revenue, expenses and other changes in net assets - modified cash basis and cash flows - modified cash basis for the years then ended, 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 the financial statements in accordance with the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 the significant 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 financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of RaiseUp Families as of June 30, 2021 and 2020, and its support, revenue, expenses and other changes in net assets and cash flows for the years then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



September 23, 2021
Houston, Texas

RAISEUP FAMILIES
STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS - MODIFIED CASH BASIS

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 678,160	\$ 554,842
Investments	153,170	-
Prepaid expenses and deposits	<u>11,306</u>	<u>7,818</u>
Total current assets	842,636	562,660
Property and equipment, net	<u>1,401</u>	<u>2,197</u>
Total Assets	<u>\$ 844,037</u>	<u>\$ 564,857</u>
 LIABILITIES		
Accounts payable	\$ 2,337	\$ 2,331
Other accrued liabilities	50,168	1,412
Accrued interest payable	<u>3,829</u>	<u>551</u>
Total accounts payable and accrued expenses	56,334	4,294
Notes payable	<u>192,700</u>	<u>210,100</u>
Total Liabilities	<u>249,034</u>	<u>214,394</u>
 NET ASSETS		
With donor restrictions	29,036	28,718
Without donor restrictions	<u>565,967</u>	<u>321,745</u>
Total Net Assets	<u>595,003</u>	<u>350,463</u>
Total Liabilities and Net Assets	<u>\$ 844,037</u>	<u>\$ 564,857</u>

See notes to financial statements.

RAISEUP FAMILIES

**STATEMENT OF SUPPORT, REVENUE, EXPENSES AND OTHER
CHANGES IN NET ASSETS - MODIFIED CASH BASIS**

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 874,835	\$ 34,500	\$ 909,335
In-kind contributions	122	-	122
Investment income	6,895	-	6,895
Net assets released from restrictions			
Restrictions satisfied by use	<u>34,182</u>	<u>(34,182)</u>	<u>-</u>
Total support and revenue	<u>916,034</u>	<u>318</u>	<u>916,352</u>
EXPENSES			
Program services	463,429	-	463,429
Management and general	58,766	-	58,766
Fundraising	<u>149,617</u>	<u>-</u>	<u>149,617</u>
Total expenses	<u>671,812</u>	<u>-</u>	<u>671,812</u>
INCREASE IN NET ASSETS	<u>244,222</u>	<u>318</u>	<u>244,540</u>
NET ASSETS			
BEGINNING OF YEAR	<u>321,745</u>	<u>28,718</u>	<u>350,463</u>
END OF YEAR	<u>\$ 565,967</u>	<u>\$ 29,036</u>	<u>\$ 595,003</u>

RAISEUP FAMILIES

**STATEMENT OF SUPPORT, REVENUE, EXPENSES AND OTHER
CHANGES IN NET ASSETS - MODIFIED CASH BASIS**

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 447,880	\$ 7,000	\$ 454,880
Investment income	139	-	139
Net assets released from restrictions			
Restrictions satisfied by use	<u>15,311</u>	<u>(15,311)</u>	<u>-</u>
Total support and revenue	<u>463,330</u>	<u>(8,311)</u>	<u>455,019</u>
EXPENSES			
Program services	413,923	-	413,923
Management and general	70,719	-	70,719
Fundraising	<u>103,735</u>	<u>-</u>	<u>103,735</u>
Total expenses	<u>588,377</u>	<u>-</u>	<u>588,377</u>
DECREASE IN NET ASSETS	<u>(125,047)</u>	<u>(8,311)</u>	<u>(133,358)</u>
NET ASSETS			
BEGINNING OF YEAR	<u>446,792</u>	<u>37,029</u>	<u>483,821</u>
END OF YEAR	<u>\$ 321,745</u>	<u>\$ 28,718</u>	<u>\$ 350,463</u>

RAISEUP FAMILIES

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 244,540	\$ (133,358)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Forgiveness of PPP loan	(60,100)	-
Contributed stocks	(122)	-
Depreciation	796	888
Realized gain on sale of investments	(873)	-
Unrealized gain on investments	(5,091)	-
(Increase) decrease in prepaid expenses and deposits	(3,488)	627
Increase in accounts payable and other accrued expenses	48,762	1,214
Increase in accrued interest payable	<u>3,278</u>	<u>551</u>
Total Adjustments	<u>(16,838)</u>	<u>3,280</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>227,702</u>	<u>(130,078)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(148,079)	-
Proceeds from sale of investments	995	-
Purchase of property and equipment	<u>-</u>	<u>(1,459)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(147,084)</u>	<u>(1,459)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings	<u>42,700</u>	<u>210,100</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>42,700</u>	<u>210,100</u>
NET INCREASE IN CASH	123,318	78,563
CASH, BEGINNING OF YEAR	<u>554,842</u>	<u>476,279</u>
CASH, END OF YEAR	<u>\$ 678,160</u>	<u>\$ 554,842</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 641</u>	<u>\$ -</u>

See notes to financial statements.

RAISEUP FAMILIES

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION

RaiseUp Families (the Organization), was incorporated in the State of Texas in 1994 as a nonprofit organization under the name Westside Homeless Partnership, Inc. Effective August 21, 2018, the Organization changed its name to RaiseUp Families. The mission of the Organization is to strengthen families by providing uninterrupted education in a child's learning. RaiseUp Families provides tools, guidance, and resources to empower families to overcome obstacles and discover their potential for a future that might not otherwise be possible. The Organization's programs are primarily focused on families with children within school districts in the greater Houston area. The Organization is supported primarily through donations by churches, businesses, individuals and private foundations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The financial statements of the Organization are prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of presentation differs from GAAP in that certain revenues and the related assets are recognized when received rather than earned and certain expenses are recognized when paid rather than when the obligation is incurred. Specifically, the Organization does not recognize accounts receivable from unconditional pledges from donors or the related revenue until received. Management has determined that the modified cash basis of accounting as described above is an acceptable basis for the presentation of the financial statements in the circumstances.

Basis of Presentation - The Organization follows the authoritative guidance in Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which requires the presentation of two classes of net assets (with donor restrictions and without donor restrictions) and requires disclosure of expenses by both function and nature.

Support - Contributions received are recorded as increases in net assets without donor restrictions unless the use of the contributed asset is specifically restricted by the donor.

Revenue Recognition - The Organization uses the modified cash basis of accounting as described above. Under this method, revenue is recognized when received.

Contributed services - The Organization receives support in the form of services from donors in connection with its fundraising activities. No amounts have been reflected in the financial statement for donated services.

Cash and cash equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported for cash and cash equivalents in the accompanying statement of assets, liabilities and net assets as of June 30, 2021 and 2020 approximates fair value.

Investments - Investments are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and equipment - Property and equipment is stated at cost or donated value. The Organization capitalizes property and equipment over \$500. Lesser amounts are expensed. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 5 years. Expenditures for repairs and maintenance are charged to expense as incurred.

RAISEUP FAMILIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements - The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available. At June 30, 2021, all of the Organization's investments are classified as Level 1.

Long-Lived Assets - The Organization's long-lived assets are evaluated for impairment in accordance with authoritative guidance which requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on expected undiscounted cash flows attributable to that asset. This review requires significant judgments both in assessing events and circumstances as well as estimating future cash flows. Should events indicate that any of the assets are impaired, the amount of such impairment will be measured as the difference between the carrying value and the fair value of the impaired asset and the impairment will be recorded in earnings during the period of such impairment. No impairment was noted during the year ended June 30, 2021 and 2020.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated. The most significant estimates are for the fair market value of investments, depreciation and for the functional allocation of expenses.

Federal Income Taxes - The Organization is a nonprofit, tax-exempt, charitable organization, under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as a publicly supported organization. Therefore, no provision for federal income tax has been included in the financial statements.

Cost Allocation - The financial statements report expenses that are attributable to more than one functional classification of expenses (program services, management and general and fundraising). Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Salaries, payroll taxes, employee benefits and professional fees are allocated by function based on estimates of time and effort. Other expenses that are allocated include lease expense, insurance, office and postage, other miscellaneous, printing and copying, technology and IT and telephone and Internet. These expenses are allocated based on management estimates of usage.

Date of Management Review - The Organization's management has evaluated subsequent events through the date the financial statements were available to be issued, which was September 23, 2021.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Cash in banks	\$ 677,860	554,353
Cash on hand	300	489
	<u>\$ 678,160</u>	<u>\$ 554,842</u>

RAISEUP FAMILIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

The Organization maintains cash balances at banks which may, at times, exceed the Federally insured limits. The Organization has not experienced any losses from maintaining cash accounts in excess of this limit. At June 30, 2021 and 2020, the Organization's cash balances exceeded the insured limit by approximately \$277,000 and \$141,000, respectively.

NOTE 4 - INVESTMENTS

The Organization carries its marketable investments at fair value. These investments consists of equity funds and fixed income funds. A detail of investments at June 30, 2021 follows:

	Cost	Fair Value
Equity Funds		
Small Cap Equity Funds	\$ 7,459	\$ 7,340
Mid Cap Equity Funds	8,960	9,137
Large Cap Equity Funds	24,150	25,517
Index Equity Funds	11,622	12,906
Total Equity Funds	52,191	54,900
Fixed Income		
iShares Iboxx Investment grade bond	81,067	83,303
iShares Iboxx Hi Yield ETF	14,821	14,967
Total Fixed Income:	95,888	98,270
Total investments	\$ 148,079	\$ 153,170

Investment return as of June 30 consists of the following:

	2021	2020
Interest and dividends	\$ 931	\$ 139
Realized gains	873	-
Unrealized gains	5,091	-
	\$ 6,895	\$ 139

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2021	2020
Furniture and equipment	\$ 6,117	\$ 6,117
Computers and printers	1,459	1,459
	7,576	7,576
Less accumulated depreciation and amortization	(6,175)	(5,379)
	\$ 1,401	\$ 2,197

Depreciation expense amounted to \$796 and \$888 for the years ended June 30, 2021 and 2020, respectively.

RAISEUP FAMILIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - NOTES PAYABLE

Notes payable at June 30 consists of the following:

	2021	2020
Paycheck Protection Program Note	\$ 42,700	\$ 60,100
Economic Injury Disaster Loan	150,000	150,000
Total notes payable	\$ 192,700	\$ 210,100

Paycheck Protection Program Loan (PPP Note)

On January 1, 2021, the Organization executed a note (the PPP Note) for the benefit of Frost Bank (the "Lender") in the aggregate amount of \$42,700 under the Paycheck Protection Program ("PPP") of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

The PPP is administered by the U.S. Small Business Administration (the "SBA"). The interest rate of the loan is 1.00% per annum and accrues on the unpaid principal balance computed on a 365/365 simple interest basis. Commencing seven months after the effective date of the PPP Note, the Organization is required to pay the Lender equal monthly payments of principal and interest as required to fully amortize any unforgiven principal balance of the loan by the two-year anniversary of the effective date of the PPP Note (the "Maturity Date"). The PPP Note contains customary events of default relating to, among other things, payment defaults, making materially false or misleading representations to the SBA or the Lender, or breaching the terms of the PPP Note. The occurrence of an event of default may result in the repayment of all amounts outstanding under the PPP Note, collection of all amounts owing from the Organization, or filing suit and obtaining judgment against the Organization. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities. As discussed in the subsequent events note, this PPP note was forgiven on August 13, 2021.

On April 17, 2020, the Organization executed a PPP note for the benefit of Frost Bank (the "Lender") in the aggregate amount of \$60,100 under the PPP of the CARES Act. This note was forgiven on December 17, 2020. The \$60,100 is included as grant income in the statement of support, revenue expenses and other changes in net assets - modified cash basis.

Economic Injury Disaster Loan

On May 23, 2020, the Organization executed the standard loan documents required for securing a loan (the "EIDL Loan") from the SBA under its Economic Injury Disaster Loan ("EIDL") assistance program in light of the impact of the COVID-19 pandemic on the Organization's business. Pursuant to that certain Loan Authorization and Agreement (the "SBA Loan Agreement"), the principal amount of the EIDL Loan is up to \$150,000, which proceeds are to be used for working capital purposes. As of June 30, 2020, the Organization had obtained the full \$150,000 disbursement under the EIDL Loan. Interest accrues at the rate of 2.75% per annum. Installment payments, including principal and interest, are due monthly beginning May 23, 2021 (twelve months from the date of the SBA Loan Agreement) in the amount of \$641. The balance of principal and interest is payable thirty years from the date of the SBA Loan Agreement. In connection therewith, the Organization received a \$5,000 advance, which does not have to be repaid. This advance is included in contributions and grants in the statement of support, revenues, expenses and other changes in net assets - modified cash basis for the year ended June 30, 2020.

RAISEUP FAMILIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - NOTES PAYABLE (CONTINUED)

In connection with the EIDL Loan, the Organization entered into a security agreement with the SBA whereby the Organization granted the SBA a security interest in all of the Organization's right, title and interest in all of the Organization's assets.

Future maturities of the EIDL Loan are as follows:

Fiscal year ended June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 380	\$ 7,312	\$ 7,692
2023	3,623	4,069	7,692
2024	3,724	3,968	7,692
2025	3,828	3,864	7,692
2026	3,934	3,758	7,692
2027-2031	21,376	17,084	38,460
2032-2036	24,523	13,937	38,460
2037-2041	28,134	10,326	38,460
2042-2046	32,275	6,185	38,460
2047-2050	<u>28,203</u>	<u>1,560</u>	<u>29,763</u>
Total	<u>\$ 150,000</u>	<u>\$ 72,063</u>	<u>\$ 222,063</u>

NOTE 7 - NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2021</u>	<u>2020</u>
Bub/Woodard Memorial Fund	\$ 16,730	\$ 16,730
Summer Program	1,501	2,304
Wilchester Men's Club	3,177	-
Dollar a Day Savings Plan	100	100
Client Furniture	-	1,596
Transportation	3,677	3,869
Back to School	2,339	2,607
College Scholarship	<u>1,512</u>	<u>1,512</u>
	<u>\$ 29,036</u>	<u>\$ 28,718</u>

Net assets with donor restrictions are released from the related restriction by making specific expenditures. Net assets without donor restrictions amounted to \$565,967 and \$321,745 at June 30, 2021 and 2020, respectively.

RAISEUP FAMILIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 - SUPPORT

A summary of contributions and grants recognized during the year ended June 30 follows:

	2021	2020
Individuals	\$ 241,295	\$ 261,839
Foundations	362,833	28,278
Churches	114,775	110,139
Businesses	130,332	49,624
Grants PPP/EIDL	60,100	5,000
	\$ 909,335	\$ 449,880

NOTE 9 - LEASES

The Organization has various leases for office space and equipment that are classified as operating leases. Future minimum lease payments under the noncancelable operating leases with initial or remaining terms of one year or more as of June 30, 2021 are as follows:

2022	\$ 29,732
2023	29,732
2024	2,388
2025	398
	\$ 62,250

Rent expense for the years ended June 30, 2021 and 2020 amounted to \$27,380 and \$27,009, respectively.

NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization regularly monitors the liquidity required to meet its operational needs and other contractual commitments. The Organization's sources of liquidity include its cash and cash equivalent balances and investments. In addition to its financial assets available to meet the Organization's general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

The following table reflects the financial assets available for general expenditures over the next twelve months:

	2021	2020
Financial assets		
Cash and cash equivalents	\$ 678,160	\$ 554,842
Investments	153,170	-
Total financial assets	831,330	554,842
Less financial assets unavailable for general expenditures within one year to due to donor restrictions	29,036	28,718
Financial assets available to meet cash needs for general expenditures within one year	\$ 802,294	\$ 526,124

RAISEUP FAMILIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 - FUNCTIONAL EXPENSES

An analysis of expenses by both function and nature is as follows:

Year Ended June 30, 2021:	Program Services	Management and General	Fundraising	Total
Salaries	\$ 253,617	\$ 18,000	\$ 52,825	\$ 324,442
Payroll taxes	14,034	21	412	14,467
Employee benefits	11,238	-	338	11,576
Lease expense	10,952	8,214	8,214	27,380
Transitional rent	145,713	-	-	145,713
Transitional utilities	2,398	-	-	2,398
Other client expenses	14,086	-	-	14,086
Accounting and auditing	-	7,350	-	7,350
Bank and credit card fees	-	-	2,219	2,219
Contract services	368	11,529	-	11,897
Depreciation	-	796	-	796
Fundraising events	-	-	54,750	54,750
Insurance	2,010	1,507	1,508	5,025
Interest	-	3,919	-	3,919
Office and postage	1,676	2,080	1,257	5,013
Printing and copying	1,110	833	19,050	20,993
Professional fees	-	-	880	880
Seminars and training	250	-	-	250
Technology and IT	3,563	3,173	6,820	13,556
Telephone and internet	1,791	1,344	1,344	4,479
Travel	623	-	-	623
	<u>\$ 463,429</u>	<u>\$ 58,766</u>	<u>\$ 149,617</u>	<u>\$ 671,812</u>

Year Ended June 30, 2020	Program Services	Management and General	Fundraising	Total
Salaries	\$ 185,256	\$ 8,303	\$ 25,108	\$ 218,667
Payroll taxes	14,917	653	1,980	17,550
Employee benefits	9,340	347	1,050	10,737
Lease expense	10,803	8,103	8,103	27,009
Transitional rent	138,088	-	-	138,088
Transitional utilities	3,277	-	-	3,277
Other client expenses	14,331	-	-	14,331
Accounting and auditing	-	7,366	-	7,366
Bank and credit card fees	-	-	1,764	1,764
Contract services	2,730	8,818	-	11,548
Depreciation	-	888	-	888
Fundraising events	-	-	21,500	21,500
Insurance	1,950	1,462	1,462	4,874
Interest	-	551	-	551
Office and postage	1,103	1,693	827	3,623
Other miscellaneous	646	484	484	1,614
Printing and copying	2,685	2,406	6,465	11,556
Professional fees	19,275	19,275	25,700	64,250
Seminars and training	-	4,177	-	4,177
Technology and IT	4,413	4,227	7,943	16,583
Telephone and internet	1,799	1,818	1,349	4,966
Travel	3,310	148	-	3,458
	<u>\$ 413,923</u>	<u>\$ 70,719</u>	<u>\$ 103,735</u>	<u>\$ 588,377</u>

RAISEUP FAMILIES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 - FINANCIAL INSTRUMENTS

The estimated fair value of the Organization's financial instruments are as follows:

Cash and cash equivalents - The Organization considers the estimated fair value of cash and cash equivalents to equal the carrying amount recognized in the statement of assets, liabilities and net assets - modified cash basis.

Investments - The Organization considers the estimated fair value of these financial instruments to equal the quoted market value as indicated in the statement of assets, liabilities and net assets - modified cash basis.

Notes payable - The Organization considers the fair value of this debt to equal the carrying amount recognized in the statement of assets, liabilities and net assets - modified cash basis.

Concentration of Risks - The ability of the issuers of certain financial instruments held by the Organization to meet their obligation may be affected by economic developments, including those particular to a specific industry or region.

NOTE 13 - INCOME TAX UNCERTAINTIES

The Organization has reviewed its current income tax return, as well as all open tax years. The Organization adopted the policy of recognizing interest and penalties, if any, related to unrecognized tax positions as income tax expense. The Organization did not have any unrecognized tax positions or benefits from tax positions that do not meet the more likely than not criterion. Accordingly, there was no effect on the Organization's financial condition or results of operations for the year ended June 30, 2021 and 2020. The Federal tax returns of the Organization for the previous three years are subject to examination by the Internal Revenue Service.

NOTE 14 - RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the Coronavirus outbreak (COVID-19) a pandemic. While this event has impacted the global economy, the extent to which COVID-19 will impact the Organization's results will depend on future developments, which are highly uncertain and cannot be predicted. The Organization has robust management systems in place to both oversee the well-being of their clients and stakeholders and react quickly to new economic conditions, however management cannot determine the short-term or long-term effect the pandemic may have on operations.

NOTE 15 - SUBSEQUENT EVENTS

On August 13, 2021, the PPP Note in the amount of \$42,700 was forgiven.

Subsequent events have been evaluated through September 23, 2021, which is the date the financial statements were available to be issued. Based on the evaluation, no adjustments to the accompanying financial statements were required.