



KANSAS CITY DIVERSITY COALITION

FINANCIAL STATEMENTS

Year Ended December 31, 2019





INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors

KANSAS CITY DIVERSITY COALITION

We have reviewed the accompanying financial statements of Kansas City Diversity Coalition (the "Organization"), which comprise the statement of financial position – cash basis as of December 31, 2019 and the related statement of cash receipts and disbursements and change in net assets – cash basis for the year 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 company 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 the cash basis of accounting; this includes determining that the 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.

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 AICPA. 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 the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, 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 the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than the accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Mayer Hoffman McCann P.C.

Kansas City, Missouri

March 23, 2021



KANSAS CITY DIVERSITY COALITION
STATEMENT OF FINANCIAL POSITION – CASH BASIS

December 31, 2019

ASSETS

Cash	\$ 74,279
Certificate of deposit	<u>100,000</u>
 TOTAL ASSETS	 <u><u>\$ 174,279</u></u>

NET ASSETS

Net assets without donor restrictions	<u><u>\$ 174,279</u></u>
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See Independent Accountants' Review Report
See Notes to Financial Statements

KANSAS CITY DIVERSITY COALITION

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
AND CHANGE IN NET ASSETS – CASH BASIS**

Year Ended December 31, 2019

OPERATING SUPPORT AND REVENUE	
Ticket sales	\$ 274,017
Sponsorships and donations	132,710
Food and beverage sales	130,520
Booth rental sales	51,935
Parking sales	24,371
T-shirt and sticker sales	2,369
TOTAL OPERATING SUPPORT AND REVENUE	<u>615,922</u>
EXPENSES	
Program expenses	
Event costs	351,065
Contract services	173,701
Insurance	6,212
Meals and entertainment	2,295
Licenses and permits	491
Total program expenses	<u>533,764</u>
Management and general	
Advertising	14,229
Travel	1,500
Insurance	1,243
Supplies	540
Professional fees	400
Network support	344
Total management and general	<u>18,256</u>
TOTAL EXPENSES	<u>552,020</u>
CHANGE IN NET ASSETS	63,902
NET ASSETS, BEGINNING OF YEAR	<u>110,377</u>
NET ASSETS, END OF YEAR	<u>\$ 174,279</u>

See Independent Accountants' Review Report
See Notes to Financial Statements

KANSAS CITY DIVERSITY COALITION

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Nature of operations – Kansas City Diversity Coalition (the “Organization”) is a voluntary, not-for-profit corporation formed in 1995 for the purpose of facilitating leadership and coalition building for the empowerment of LGBTQIA individuals in the Kansas City Metro Area through advocacy, education and community development. The Organization offers a broad range of activities and initiatives which reach out to young and old, gay and questioning families and singles, people of all colors, all socioeconomic classes and cultural and spiritual backgrounds, through various community events including the planning and coordination of the Kansas City Pride Festival. The Organization receives revenues primarily from community events and donations.

Basis of accounting – The accompanying financial statements have been prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are either recognized as cash receipts or cash disbursements. Noncash transactions are not recognized in the financial statements.

Net assets and contributions – To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, net assets are classified into two groups according to their nature and purpose and/or time restrictions:

- Net assets without donor restrictions – The portion of expendable resources immediately available to support general operations.
- Net assets with donor restrictions – Resources subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. The Organization has no net assets with donor restrictions.

Income taxes – The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as a not-for-profit organization. The Organization is no longer subject to federal or state income tax examinations by tax authorities before 2016.

Cash – Cash is defined as a checking account in a financial institution. The account balance is insured by the FDIC for up to \$250,000. As of December 31, 2019 there was no balance in excess of FDIC coverage.

Certificates of deposit – Certificates of deposit are recorded at cost and earn interest of 2%. The certificate of deposit outstanding at December 31, 2019 matured in February 2020. On the date of maturity, the Coalition converted \$50,000 to cash and renewed the remaining \$50,000 for a certificate of deposit that matured in August 2020. Subsequent to that maturity, the Organization converted the \$50,000 certificate of deposit to cash in September 2020. Interest income is recognized at the time of maturity.

Functional expenses – The costs of the Organization have been summarized on a functional basis in the statement of cash receipts and disbursements and change in net assets – cash basis. Most expenses can be identified with a specific program (the Kansas City Pride Festival) or general and administrative function and are therefore allocated directly to those functional categories. Insurance expense related to the annual Kansas City Pride Festival is allocated to program expense. Director and officer insurance expense is allocated to management and general expense. No other costs are allocated.

KANSAS CITY DIVERSITY COALITION

NOTES TO FINANCIAL STATEMENTS

(2) **Subsequent events**

The Organization has evaluated subsequent events through March 23, 2021, which is the date the financial statements were available to be issued. The following items are deemed to be subsequent events.

Subsequent to December 31, 2019, as described in Note 1, certificates of deposit matured and were either renewed or converted to cash.

Subsequent to December 31, 2019, on March 11, 2020 the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak began disrupting operations and affecting a wide range of industries and their employees. The extent of the impact moving forward will depend on certain developments, including the duration and spread of the outbreak. The COVID-19 pandemic caused the Organization to cancel the 2020 Pride Festival. In August 2020, the Organization announced that it would no longer host or produce Kansas City's Pride Festival, opening the opportunity for other organizations to do so if they so desire. The Organization successfully terminated its contract with its event management company for the third and final year (2021) of the existing contract with no termination fees. Once the COVID-19 pandemic has passed and it is safe and lawful to do so, the Organization will consider hosting events to promote, celebrate, and recognize diversity and inclusion in Kansas City.

No other subsequent events occurred that require disclosure in the financial statements or footnotes.