

# GoFundMe.org

## FINANCIAL STATEMENTS

June 30, 2020 and 2019



**CRI** CARR  
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**GoFundMe.org**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
GoFundMe.org  
Los Angeles, California

We have audited the accompanying financial statements of GoFundMe.org (a nonprofit organization) (the Organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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 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 these 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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.

## Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of GoFundMe.org as of June 30, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Caru, Riggs & Ingram, L.L.C.*

Houston, Texas  
February 4, 2021

**GoFundMe.org**  
**Statements of Financial Position**

| <i>June 30,</i>                         | <b>2020</b>         | <b>2019</b>         |
|---|---------------------|---------------------|
| <b>Assets</b>                           |                     |                     |
| Cash and cash equivalents               | \$ 2,328,305        | \$ 539,535          |
| Promises to give, net                   | 834,061             | 2,298,928           |
| Other receivables                       | 132,048             | 215,378             |
| Prepaid expense                         | 2,017               | 1,596               |
| <b>Total assets</b>                     | <b>\$ 3,296,431</b> | <b>\$ 3,055,437</b> |
| <b>Liabilities and Net Assets</b>       |                     |                     |
| Grants payable                          | \$ 1,000,583        | \$ 43,272           |
| <b>Net assets</b>                       |                     |                     |
| Without donor restrictions              | 68,588              | 13,508              |
| With donor restrictions                 | 2,227,260           | 2,998,657           |
| <b>Total net assets</b>                 | <b>2,295,848</b>    | <b>3,012,165</b>    |
| <b>Total liabilities and net assets</b> | <b>\$ 3,296,431</b> | <b>\$ 3,055,437</b> |

*The accompanying notes are an integral part of these financial statements.*

**GoFundMe.org**  
**Statement of Activities**

| <i>For the year ended June 30,</i>    | 2020                          |                            |                   |
|---------------------------------------|-------------------------------|----------------------------|-------------------|
|                                       | Without<br>Donor Restrictions | With Donor<br>Restrictions | Total             |
| <b>Support and revenue</b>            |                               |                            |                   |
| Contributions                         | \$ 383,336                    | \$ 30,409,467              | \$ 30,792,803     |
| In-kind contributions                 | 157,470                       | -                          | 157,470           |
| Net assets released from restrictions |                               |                            |                   |
| Satisfaction of donor restrictions    | 31,180,864                    | (31,180,864)               | -                 |
| <b>Total support and revenue</b>      | <b>31,721,670</b>             | <b>(771,397)</b>           | <b>30,950,273</b> |
| <b>Expenses</b>                       |                               |                            |                   |
| Program services                      | 31,121,686                    | -                          | 31,121,686        |
| Management and general                | 251,715                       | -                          | 251,715           |
| Fundraising                           | 293,189                       | -                          | 293,189           |
| <b>Total expenses</b>                 | <b>31,666,590</b>             | <b>-</b>                   | <b>31,666,590</b> |
| <br>                                  |                               |                            |                   |
| Change in net assets                  | 55,080                        | (771,397)                  | (716,317)         |
| Net assets beginning of year          | 13,508                        | 2,998,657                  | 3,012,165         |
| Net assets end of year                | \$ 68,588                     | \$ 2,227,260               | \$ 2,295,848      |

*The accompanying notes are an integral part of these financial statements.*

**GoFundMe.org**  
**Statement of Activities**

| <i>For the year ended June 30,</i>    | 2019                          |                            |                  |
|---------------------------------------|-------------------------------|----------------------------|------------------|
|                                       | Without<br>Donor Restrictions | With Donor<br>Restrictions | Total            |
| <b>Support and revenue</b>            |                               |                            |                  |
| Contributions                         | \$ 374,885                    | \$ 1,978,546               | \$ 2,353,431     |
| In-kind contributions                 | 36,011                        | -                          | 36,011           |
| Net assets released from restrictions |                               |                            |                  |
| Satisfaction of donor restrictions    | 4,401,742                     | (4,401,742)                | -                |
| <b>Total support and revenue</b>      | <b>4,812,638</b>              | <b>(2,423,196)</b>         | <b>2,389,442</b> |
| <b>Expenses</b>                       |                               |                            |                  |
| Program services                      | 4,406,423                     | -                          | 4,406,423        |
| Management and general                | 367,936                       | -                          | 367,936          |
| Fundraising                           | 40,260                        | -                          | 40,260           |
| <b>Total expenses</b>                 | <b>4,814,619</b>              | <b>-</b>                   | <b>4,814,619</b> |
| Change in net assets                  | (1,981)                       | (2,423,196)                | (2,425,177)      |
| Net assets beginning of year          | 15,489                        | 5,421,853                  | 5,437,342        |
| Net assets end of year                | \$ 13,508                     | \$ 2,998,657               | \$ 3,012,165     |

*The accompanying notes are an integral part of these financial statements.*

**GoFundMe.org**  
**Statement of Functional Expenses**

| <i>For the year ended June 30, 2020</i> | Program              | Management<br>and General | Fundraising       | Total                |
|---|----------------------|---------------------------|-------------------|----------------------|
| Grants                                  | \$ 30,873,671        | \$ -                      | \$ -              | \$ 30,873,671        |
| Platform fees                           | -                    | -                         | 1,143             | 1,143                |
| Credit card processing fees             | -                    | -                         | 287,044           | 287,044              |
| Professional services                   | -                    | 155,277                   | -                 | 155,277              |
| Administrator                           | 248,015              | 70,296                    | -                 | 318,311              |
| Miscellaneous                           | -                    | 18,317                    | 5,002             | 23,319               |
| Bank and service fees                   | -                    | 4,617                     | -                 | 4,617                |
| Subscriptions                           | -                    | 3,208                     | -                 | 3,208                |
| <b>Total expenses</b>                   | <b>\$ 31,121,686</b> | <b>\$ 251,715</b>         | <b>\$ 293,189</b> | <b>\$ 31,666,590</b> |

*The accompanying notes are an integral part of these financial statements.*



**GoFundMe.org**  
**Statement of Functional Expenses**

| <i>For the year ended June 30, 2019</i> | Program             | Management<br>and General | Fundraising      | Total               |
|---|---------------------|---------------------------|------------------|---------------------|
| Grants                                  | \$ 4,368,777        | \$ -                      | \$ -             | \$ 4,368,777        |
| Platform fees                           | -                   | -                         | 442              | 442                 |
| Credit card processing fees             | -                   | -                         | 39,818           | 39,818              |
| Professional services                   | -                   | 284,438                   | -                | 284,438             |
| Administrator                           | 37,646              | 71,975                    | -                | 109,621             |
| Miscellaneous                           | -                   | 7,713                     | -                | 7,713               |
| Bank and service fees                   | -                   | 2,607                     | -                | 2,607               |
| Subscriptions                           | -                   | 1,203                     | -                | 1,203               |
| <b>Total expenses</b>                   | <b>\$ 4,406,423</b> | <b>\$ 367,936</b>         | <b>\$ 40,260</b> | <b>\$ 4,814,619</b> |

*The accompanying notes are an integral part of these financial statements.*

**GoFundMe.org**  
**Statements of Cash Flows**

| <i>For the years ended June 30,</i>  | 2020         | 2019           |
|--|--------------|----------------|
| <b>Operating activities</b>  |              |                |
| Change in net assets   | \$ (716,317) | \$ (2,425,177) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities |              |                |
| Changes in operating assets and liabilities  |              |                |
| Promises to give, net  | 1,464,867    | 2,325,689      |
| Other receivables  | 83,330       | 97,786         |
| Prepaid expense  | (421)        | (1,596)        |
| Grants payable   | 957,311      | (11,872,773)   |
| Net cash provided by (used in) operating activities  | 1,788,770    | (11,876,071)   |
| <b>Net change in cash and cash equivalents</b>   | 1,788,770    | (11,876,071)   |
| <b>Cash and cash equivalents, beginning of year</b>  | 539,535      | 12,415,606     |
| <b>Cash and cash equivalents, end of year</b>  | \$ 2,328,305 | \$ 539,535     |

*The accompanying notes are an integral part of these financial statements.*

**Note 1: ORGANIZATION AND NATURE OF ACTIVITIES**

GoFundMe.org (the Organization) was organized in 2016 and chartered under the laws of the State of California. The Organization was formerly known as Direct Impact Fund with the name change effective in March 2019. While its mission is broad to include educational and other charitable initiatives, the primary purpose of the Organization is to enable the public to give to specific causes on the on-line platforms hosted by GoFundMe.Inc. under either the GOFUNDME or GoFundMe Charity brands. The Organization receives funds donated through these platforms as well as direct donations from donors. Grants are made to either individuals determined to be in the charitable class impacted by the disaster, or charities providing assistance to the impacted charitable class.

In 2020, GoFundMe.org worked with Immigrant Families Together, The Poussey Washington Fund and continued its work with the Girl's Opportunity Alliance. There were campaigns for COVID-19, the Australian Wildfires, Justice and Equality and a variety of other natural and man-made causes. In 2019, in addition to variety of other natural disasters, GoFundMe.org worked with the TIME'S UP movement and organized campaigns for Fall 2018 California Fires and furloughed workers impacted by the United States government shutdown.

Pursuant to the Bylaws, the Organization has two classes of board members – designated members and members elected by the Board. The designated member(s) are designated by GoFundMe, Inc. At no time, may designated members account for more than 49% of the total board membership.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

***Use of Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at 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.

***Fair Value Considerations***

The Organization uses fair value to measure financial and certain nonmonetary financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability. The Organization's financial instruments (primarily cash and cash equivalents, receivables, and grants payable) are carried in the accompanying financial statements at amounts, which reasonably approximate fair value.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Cash and Cash Equivalents***

The Organization considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents.

***Promises to Give***

Promises to give expected to be collected within one year are recorded at net realizable value. Promises to give expected to be collected in future years are recorded at the present value of their estimated future cash flows using an appropriate discount rate commensurate with the risk involved. For the years ended June 30, 2020 and 2019, the fair value discount was approximately \$32,606 and \$84,238 (See Note 5).

An allowance reserve for refundable promises to give, if any, is determined based on management's analysis of the potential for renege donations. As of June 30, 2020 and 2019, promises to give were considered fully collectible; therefore no allowance was established.

***Other Receivables***

Other receivables primarily consists of amount due from a third -party processor for on-line donations and are considered to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If amounts become uncollectible, they will be charged to operations when that determination is made.

As of June 30, 2020 and 2019, the Organization is owed \$132,048 and \$181,378, respectively, from the third-party credit card processor as a result of on-line donations not yet transferred to the Organization's operating account.

As of June 30, 2019, the Organization is owed \$34,000 from a foundation that received a grant from the Organization in error. In 2020, the Organization received the funds in full from the foundation.

***Grants Payable***

Grants are made in accordance with the Organization's mission. As of June 30, 2020 and 2019, all grants payable were approved by the Board of Directors by June 30, 2020 and 2019. All grants to either the charitable class or charities assisting the charitable class are vetted thoroughly before the Board approves payment. As a result, the Organization does not anticipate any grants will be required to be refunded by the grantee.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

***Revenue Recognition***

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. All contributions are considered restricted for the campaign contributed to by the donors, unless specifically noted as without restrictions by the donor.

Conditional promises to give, if any, are not included as support until the conditions are substantially met. The Organization did not have any conditional promises to give as of and for the years ended June 30, 2020 and 2019.

***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Functional Allocation of Expenses***

Directly identifiable expenses are charged to programs and supporting services. Contract administrator cost is allocated between program and supporting services based on estimated time and effort.

***Federal Income Taxes***

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. There is no unrelated business income for the years ended June 30, 2020 and 2019.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2020 and 2019, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. The Organization believes it is no longer subject to income tax examinations for years prior to 2016.

***Newly Adopted Accounting Pronouncement***

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Effective July 1, 2019, the Organization applied the provisions of this ASU on a modified prospective basis. The adoption of this standard did not materially impact the Organization's financial statements.

***Recent Financial Accounting Pronouncement***

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled Leases. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this update apply to Not-for-Profit entities that receive contributed nonfinancial assets. Under the guidance, entities are required to (1) present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and (2) disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statements of activities by category that depicts the type of contributed nonfinancial assets and certain qualitative information. This new guidance is required to be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 4, 2021, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Note 3: LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization manages its liquidity by operating within a prudent range of financial stability and maintaining adequate liquidity to fund near-term operations and depends on a resource sharing agreement with GoFundMe.Inc. (see Note 7)

Financial assets available for general expenditures that is, without donor or other restrictions limiting their use within one year as of June 30, 2020 and 2019 include of the following:

| <i>June 30,</i>   | <b>2020</b>         | 2019        |
|---|---------------------|-------------|
| Cash and cash equivalents   | \$ <b>2,328,305</b> | \$ 539,535  |
| Promises to give, net   | <b>834,061</b>      | 2,298,928   |
| Other receivables   | <b>132,048</b>      | 215,378     |
| <b>Total financial assets</b>   | <b>3,294,414</b>    | 3,053,841   |
| Less those unavailable for general expenditure within one year due to:                        |                     |             |
| Purpose restrictions  | <b>(2,227,260)</b>  | (2,998,657) |
| <b>Financial assets available to meet cash needs for general expenditures within one year</b> | <b>\$ 1,067,154</b> | \$ 55,184   |

**Note 4: CONCENTRATIONS OF CREDIT RISK**

At various times during the years, the Organization's cash balances may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents, due to the financial strength of the financial institutions where deposits are held.

For the years ended June 30, 2020 and 2019, one and four campaigns, respectively, managed by the Organization accounted for approximately 76% and 82% of total contributions received.

As of June 30, 2020 and 2019, three and four donors, respectively, comprised 100% and 69%, respectively, of promises to give. No single donor accounted for more than 10% of total revenue.

As of June 30, 2020 and 2019, six and one foundations, respectively, comprised 90% and 78%, respectively, of grants payable.

**Note 5: PROMISES TO GIVE**

Promises to give are expected to be realized in the following periods:

| <i>June 30,</i>                   | <b>2020</b>       | <b>2019</b>         |
|-----------------------------------|-------------------|---------------------|
| In one year or less               | <b>\$ 766,667</b> | \$ 2,183,166        |
| Between one year and five years   | <b>100,000</b>    | 200,000             |
|                                   | <b>866,667</b>    | 2,383,166           |
| Less unamortized discount (2.25%) | <b>(32,606)</b>   | (84,238)            |
| <b>Promises to give, net</b>      | <b>\$ 834,061</b> | <b>\$ 2,298,928</b> |

**Note 6: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions subject to expenditure for specific purpose are as follows:

| <i>June 30,</i>                                 | <b>2020</b>         | <b>2019</b>         |
|---|---------------------|---------------------|
| Time's Up                                       | <b>\$ 835,303</b>   | \$ 2,421,133        |
| Girls Opportunity Alliance                      | <b>670,983</b>      | 446,428             |
| COVID-19  | <b>459,936</b>      | -                   |
| Other campaign programs                         | <b>261,038</b>      | 131,096             |
| <b>Total net assets with donor restrictions</b> | <b>\$ 2,227,260</b> | <b>\$ 2,998,657</b> |



**Note 7: RESOURCE SHARING AGREEMENT**

Effective January 1, 2017, the Organization and GoFundMe.Inc. entered into a resource sharing agreement. The agreement may be terminated without cause by either party with a 90-day written notice to the other party.

As part of the agreement, GoFundMe.Inc. may pay for the Organization's expenses directly without expectation of reimbursement in whole or in part. GoFundMe.Inc. paid \$300,671 and \$365,233 of expenses on behalf of the Organization's for the years ended June 30, 2020 and 2019, respectively. These contributions are recorded as increases in net assets without donor restrictions with the corresponding expenses included the statements of activities and statements of functional expenses.

As part of this agreement, the Organization may request, with approval from GoFundMe.Inc., GoFundMe.Inc.'s employees to allocate some of their time in performing services for the Organization. In 2020 and 2019, the Organization recognized revenue and related expenses of \$157,470 and \$36,011, respectively, for contributed services from GoFundMe.Inc. GoFundMe.Inc. donated an employee's time spent on the Organization, which included setting up campaigns, vetting potential grants, following up with donation receipts and helping with the platform for the campaigns.

**Note 8: FUNDRAISING COSTS**

Contributions received on the on-line platform are processed through a third-party credit card processor. For this service, the Organization is charged a payment processor fee of 2.9% of the contribution made plus \$0.30 per transaction. Such fees are recognized as fundraising cost in the accompanying financial statements and totaled \$287,044 and \$39,818 for the years ended June 30, 2020 and 2019, respectively.

**Note 9: CONTINGENCY**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meeting, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.