



GoFundMe.org

FINANCIAL STATEMENTS

June 30, 2021 and 2020



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of GoFundMe.org (the Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GoFundMe.org as of June 30, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GoFundMe.org and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
January 14, 2022

GoFundMe.org
Statements of Financial Position

<i>June 30,</i>	2021	2020
Assets		
Cash and cash equivalents	\$ 10,521,713	\$ 2,328,305
Promises to give, net	94,618	834,061
Other receivables	46,407	132,048
Prepaid expense	2,162	2,017
Total assets	\$ 10,664,900	\$ 3,296,431
Liabilities and Net Assets		
Grants payable	\$ 248,499	\$ 1,000,583
Net assets		
Without donor restrictions	2,545,801	68,588
With donor restrictions	7,870,600	2,227,260
Total net assets	10,416,401	2,295,848
Total liabilities and net assets	\$ 10,664,900	\$ 3,296,431

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

GoFundMe.org
Statement of Activities

<i>For the year ended June 30,</i>	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 3,338,286	\$ 11,943,832	\$ 15,282,118
In-kind contributions	268,117	-	268,117
Net assets released from restrictions			
Satisfaction of donor restrictions	6,300,492	(6,300,492)	-
Total support and revenue	9,906,895	5,643,340	15,550,235
Expenses			
Program services	6,833,770	-	6,833,770
Management and general	342,000	-	342,000
Fundraising	253,912	-	253,912
Total expenses	7,429,682	-	7,429,682
Change in net assets	2,477,213	5,643,340	8,120,553
Net assets beginning of year	68,588	2,227,260	2,295,848
Net assets end of year	\$ 2,545,801	\$ 7,870,600	\$ 10,416,401

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 Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
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)	-
Total support and revenue	31,721,670	(771,397)	30,950,273
Expenses			
Program services	31,121,686	-	31,121,686
Management and general	251,715	-	251,715
Fundraising	293,189	-	293,189
Total expenses	31,666,590	-	31,666,590
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 Functional Expenses

<i>For the year ended June 30, 2021</i>	Program	Management and General	Fundraising	Total
Grants	\$ 6,457,358	\$ -	\$ -	\$ 6,457,358
Credit card processing fees	-	-	233,912	233,912
Professional services	-	121,545	-	121,545
Administrator	376,280	30,363	-	406,643
Miscellaneous	-	15,067	-	15,067
Bank and service fees	132	4,331	-	4,463
Subscriptions	-	4,027	-	4,027
Direct fundraising expense	-	-	20,000	20,000
Bad debt expense	-	166,667	-	166,667
Total expenses	\$ 6,833,770	\$ 342,000	\$ 253,912	\$ 7,429,682

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 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
Total expenses	\$ 31,121,686	\$ 251,715	\$ 293,189	\$ 31,666,590

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>	2021	2020
Operating activities		
Change in net assets	\$ 8,120,553	\$ (716,317)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	166,667	-
Changes in operating assets and liabilities		
Promises to give, net	739,443	1,464,867
Other receivables	(81,026)	83,330
Prepaid expense	(145)	(421)
Grants payable	(752,084)	957,311
Net cash provided by operating activities	8,193,408	1,788,770
Net change in cash and cash equivalents	8,193,408	1,788,770
Cash and cash equivalents, beginning of year	2,328,305	539,535
Cash and cash equivalents, end of year	\$ 10,521,713	\$ 2,328,305

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 provide fast and effective relief to victims of disasters. 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 2021, the Organization continued its work with the Girl's Opportunity Alliance, The Poussey Washington Fund and many COVID-19 campaigns. There were also campaigns for supporting the AAPI community, wildfires, hurricanes and a variety of other natural and man-made causes.

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, 2021 and 2020, the fair value discount was approximately \$5,382 and \$32,606 (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, 2021 and 2020, 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, 2021 and 2020, the Organization is owed \$46,407 and \$132,048, respectively, from the third-party credit card processor as a result of on-line donations not yet transferred to the Organization's operating account.

Grants Payable

Grants are made in accordance with the Organization's mission. As of June 30, 2021 and 2020, all grants payable were approved by the Board of Directors by June 30, 2021 and 2020. 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 grantees.

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, 2021 and 2020.

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, 2021 and 2020.

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, 2021 and 2020, 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 2017.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 14, 2022, 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.

Future 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.

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, 2021 and 2020 include of the following:

<i>June 30,</i>	2021	2020
Cash and cash equivalents	\$ 10,521,713	\$ 2,328,305
Promises to give, net	94,618	834,061
Other receivables	46,407	132,048
Total financial assets	10,662,738	3,294,414
Less those unavailable for general expenditure within one year due to:		
Purpose restrictions	(7,870,600)	(2,227,260)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,792,138	\$ 1,067,154

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, 2021 and 2020, one campaign managed by the Organization accounted for approximately 58% and another campaign accounted for 76% of total contributions received, respectively.

As of June 30, 2021 and 2020, one and three donors, respectively, comprised 100% and 100%, respectively, of promises to give. For the years ended June 30, 2021 and 2020, no single donor accounted for more than 10% of total revenue.

As of June 30, 2021 and 2020, seven and six foundations, respectively, comprised 84% and 90%, 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>	2021	2020
In one year or less	\$ 94,618	\$ 766,667
Between one year and five years	-	100,000
	94,618	866,667
Less unamortized discount (2.25%)	-	(32,606)
Promises to give, net	\$ 94,618	\$ 834,061

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>	2021	2020
Support AAPI	\$ 5,725,874	\$ -
Girl's Opportunity Alliance	816,184	670,983
COVID 19	473,023	459,936
Basic Necessities Cause	339,012	-
Barbie Dream Gap	139,123	-
Time's Up	95,860	835,303
Others	281,524	261,038
Total net assets with donor restrictions	\$ 7,870,600	\$ 2,227,260

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 \$294,500 and \$300,671 of expenses on behalf of the Organization's for the years ended June 30, 2021 and 2020, 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 2021 and 2020, the Organization recognized revenue and related expenses of \$268,117 and \$157,470, 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.

Additionally, during 2021, GoFundMe.Inc donated \$3,000,000 without restriction to the Organization.

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 \$233,912 and \$287,044 for the years ended June 30, 2021 and 2020, respectively.

Note 9: UNCERTAINTY

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 meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.