

March for Our Lives Action Fund and Subsidiary

Consolidated Financial Statements

Years Ended December 31, 2021 and 2020



WIPFLI

March for Our Lives Action Fund and Subsidiary

Years Ended December 31, 2021 and 2020

Table of Contents

Independent Auditor's Report.....1

Consolidated Financial Statements

 Consolidated Statements of Financial Position.....3

 Consolidated Statements of Activities.....4

 Consolidated Statements of Functional Expenses.....6

 Consolidated Statements of Cash Flows.....7

 Notes to Consolidated Financial Statements.....8

Independent Auditor's Report

Board of Directors
March for Our Lives Action Fund and Subsidiary
Washington, DC

Opinion

We have audited the accompanying consolidated financial statements of March for Our Lives Action Fund, a nonprofit organization, and subsidiary, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of March for Our Lives Action Fund and Subsidiary as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audits in accordance with generally accepted auditing standards in the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of March for Our Lives Action Fund and Subsidiary to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 consolidated 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 March for Our Lives Action Fund and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about March for Our Lives Action Fund and Subsidiary'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 audits.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin

July 29, 2022

March for Our Lives Action Fund and Subsidiary

Consolidated Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets:		
Current Assets:		
Cash	\$ 836,320	\$ 2,069,747
Accounts receivable	158,368	34,350
Prepaid expenses	116,437	119,414
Pledges receivable	175,000	10,000
Property and equipment, net	8,274	12,527
Total current assets	1,294,399	2,246,038
Pledges receivable, long-term	150,000	-
Total Assets	\$ 1,444,399	\$ 2,246,038
Liabilities and Net Assets:		
Liabilities:		
Accounts payable	\$ 165,402	94,079
Accrued liabilities	64,778	39,210
Total Liabilities	230,180	133,289
Net Assets:		
Without donor restrictions	885,852	2,110,424
With donor restrictions	328,367	2,325
Total Net Assets	1,214,219	2,112,749
Total Liabilities and Net Assets	\$ 1,444,399	2,246,038

See accompanying notes to consolidated financial statements.

March for Our Lives Action Fund and Subsidiary

Consolidated Statements of Activities

<i>December 31, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grants and contributions	\$ 3,665,733	\$ 326,642	\$ 3,992,375
In-kind contributions	76,431	-	76,431
Miscellaneous revenue	101,780	-	101,780
Net assets released from restrictions	600	(600)	-
Total Support and Revenue	3,844,544	326,042	4,170,586
Expenses:			
Program Services:			
General program support	621,041	-	621,041
Organizing program	2,009,982	-	2,009,982
Policy program	826,983	-	826,983
Artivism program	200,170	-	200,170
Communications program	3,750	-	3,750
Total Program Services	3,661,926	-	3,661,926
Supporting Services:			
Management and general	881,467	-	881,467
Fundraising	525,723	-	525,723
Total Supporting Services	1,407,190	-	1,407,190
Total Expenses	5,069,116	-	5,069,116
Change in net assets	(1,224,572)	326,042	(898,530)
Net assets at beginning	2,110,424	2,325	2,112,749
Net assets, end of year	\$ 885,852	\$ 328,367	\$ 1,214,219

See accompanying notes to consolidated financial statements.

March for Our Lives Action Fund and Subsidiary

Consolidated Statements of Activities (Continued)

<i>December 31, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grants and contributions	\$ 3,155,161	\$ 808,075	\$ 3,963,236
In-kind contributions	75,640	-	75,640
Miscellaneous revenue	84,116	2,250	86,366
Net assets released from restrictions	808,000	(808,000)	-
Total Support and Revenue	4,122,917	2,325	4,125,242
Expenses:			
Program Services:			
General program support	569,404	-	569,404
Organizing program	1,833,859	-	1,833,859
Policy program	482,138	-	482,138
Artivism program	604,783	-	604,783
Total Program Services	3,490,184	-	3,490,184
Supporting Services:			
Management and general	1,122,896	-	1,122,896
Fundraising	374,890	-	374,890
Total Supporting Services	1,497,786	-	1,497,786
Total Expenses	4,987,970	-	4,987,970
Change in net assets	(865,053)	2,325	(862,728)
Net assets at beginning	2,975,477	-	2,975,477
Net assets, end of year	\$ 2,110,424	\$ 2,325	\$ 2,112,749

See accompanying notes to consolidated financial statements.

March for Our Lives Action Fund and Subsidiary

Consolidated Statements of Functional Expenses

<i>December 31, 2021</i>	Program Services	Management and General	Fundraising	Total
Program supplies	\$ 70,542	\$ 906	\$ -	\$ 71,448
Personnel	1,246,703	384,194	331,389	1,962,286
Occupancy	27,830	61,581	-	89,411
Professional fees	1,091,173	213,951	77,840	1,382,964
Grants	414,891	5,000	-	419,891
Advertising and promotion	163,337	19,156	14,209	196,702
Travel	32,367	88,415	2,263	123,045
Miscellaneous expense	9,779	16,262	59,470	85,511
Insurance	152,865	55,289	40,119	248,273
Supplies and equipment	1,725	35,048	433	37,206
Office expense	450,714	1,665	-	452,379
Total	\$ 3,661,926	\$ 881,467	\$ 525,723	\$ 5,069,116

<i>December 31, 2020</i>	Program Services	Management and General	Fundraising	Total
Program supplies	\$ 119,251	\$ 12,890	\$ 89	\$ 132,230
Personnel	680,339	390,724	226,396	1,297,459
Occupancy	49,646	49,644	-	99,290
Professional fees	1,876,838	478,956	83,342	2,439,136
Grants	48,726	112	-	48,838
Advertising and promotion	596,957	27,548	-	624,505
Travel	21,413	75,026	-	96,439
Miscellaneous expense	12	5,954	32,284	38,250
Insurance	80,204	51,883	26,689	158,776
Supplies and equipment	4,735	17,854	40	22,629
Office expense	12,063	12,305	6,050	30,418
Total	\$ 3,490,184	\$ 1,122,896	\$ 374,890	\$ 4,987,970

See accompanying notes to consolidated financial statements.

March for Our Lives Action Fund and Subsidiary

Consolidated Statements of Cash Flows

<i>Years Ended December 31,</i>	2021	2020
Increase (Decrease) in Cash:		
Cash Flows from Operating Activities:		
Change in net assets	\$ (898,530)	\$ (862,728)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	4,253	2,745
Changes in assets and liabilities:		
Accounts receivable	(124,018)	(17,358)
Pledges receivable	(315,000)	(10,000)
Prepaid expenses	2,977	(84,414)
Accounts payable	71,323	(28,631)
Accrued liabilities	25,568	39,209
Net Cash Used in Operating Activities	(1,233,427)	(961,177)
Cash Flows From Investing Activities:		
Purchases of property and equipment	-	(3,375)
Net Cash Used in Investing Activities	-	(3,375)
Change in Cash	(1,233,427)	(964,552)
Cash, Beginning of Year	2,069,747	3,034,299
Cash, End of Year	\$ 836,320	\$ 2,069,747

See accompanying notes to consolidated financial statements.

March for Our Lives Action Fund and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The March for Our Lives Action Fund (MFOLAF) was incorporated on February 21, 2018, under the laws of the State of Delaware as a 501 (c)(4) nonprofit corporation for social welfare purposes. It was formed to harness the power of young people across the country to end all forms of gun violence - not just mass shootings, but everyday gun violence, police violence and more. MFOLAF also encourages students to register to vote in order to promote students' continued civic engagement, and engage in educational activities by seizing its current moment in the public conversation to spark discussions about effective civic engagement - focused primarily on youth engagement. MFOLAF is primarily supported by donor contributions and grants.

MFOLAF's wholly owned subsidiary, a limited liability company (the Company), is incorporated under the formation laws of the state of Delaware, whose nature and purpose is to own, manage or lease real property and to engage in any lawful business as its sole member, MFOLAF may determine.

The accompanying consolidated financial statements present the financial position, results of operations and cash flows of MFOLAF's national organization and do not include the financial position, results of operations and cash flows of any affiliated chapter or region.

Basis of Consolidation

The financial statements of March for Our Lives Action Fund and its Subsidiary (collectively referred to as the Action Fund) have been consolidated due to the existence of common control and an economic interest, as required under accounting principles generally accepted in the United States of America (GAAP). All intercompany transactions and balances are eliminated in consolidation.

Basis of Presentation

The consolidated financial statements of the Action Fund have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

Accounts Receivable

Accounts receivable consist of general receivables from various sources and donors. The Action Fund believes these receivables are fully collectible and, therefore, no allowance for doubtful accounts has been recorded.

Pledges Receivable

Unconditional pledges are recorded as pledges receivable in the year pledged. Pledges receivable whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restriction. Pledges receivable to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

March for Our Lives Action Fund and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment with an estimated useful life of more than a year are stated at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for major repairs that materially extend the useful life of assets are capitalized. Upon retirement or disposal of assets, the cost and accumulated depreciation or amortization are eliminated from the accounts and the resulting gain or loss is included in revenue or expense, as appropriate.

Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Action Fund and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.

An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

March for Our Lives Action Fund and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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 Action Fund.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to specific areas of the Action Fund are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimates determines by management to be equitable. Salaries are allocated based on estimates of employee's time and effort. Employee benefits are allocated based on total salaries by functional area.

Use of Estimates

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for years beginning after December 15, 2020. ASU No. 2016-02 must be applied modified retrospectively. ASU No. 2020-05 *Leases (Topic 842)* was implemented which defers the effective date of ASU No. 2016-02 to years beginning after December 15, 2021, with early adoption permitted. The Action Fund is currently evaluating the impact of the provisions of ASU Topic 842.

March for Our Lives Action Fund and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reclassification

Certain amounts as previously reported in the 2020 consolidated financial statements have been reclassified to conform to the 2021 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

Subsequent Events

The Action Funds have evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through July 29, 2022, which is the date the consolidated financial statements were available to be issued.

Note 2: Concentration of Credit Risk

The Action Fund maintains its cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. As of and during the years ended December 31, 2021 and 2020, the Action Fund had a cash balance in excess of the FDIC limit. Management believes the financial institutions have a strong credit rating and credit risk related to these deposits is minimal.

Note 3: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the consolidated statements of financial position, are comprised of the following at December 31:

	2021	2020
Cash	\$ 836,320	\$ 2,069,747
Accounts receivable	158,368	34,350
Pledges receivable	325,000	10,000
Subtotal financial assets	1,319,688	2,114,097
Less: net assets with donor restrictions	(328,367)	(2,325)
Total	\$ 991,321	\$ 2,111,772

The Action Fund does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash for operating expenses of at least three months.

March for Our Lives Action Fund and Subsidiary

Notes to Consolidated Financial Statements

Note 4: Accounts Receivable

Accounts receivable included the following at December 31:

	2021	2020
March for Our Lives Foundation	\$ 26,278	\$ 34,350
Employee Retention Credit (ERC)	124,336	-
Other Receivables	7,754	-
Total	\$ 158,368	\$ 34,350

Note 5: Pledges Receivable

Pledges receivable consist of \$325,000 and \$10,000 as of December 31, 2021 and 2020, respectively. A reserve for uncollectible amounts was deemed not necessary by management. The amount to be received by December 31, 2022, is \$175,000 and the amount to be received by December 31, 2023, is \$150,000.

Note 6: Property and Equipment

A summary of property and equipment is as follows as of December 31:

	2021	2020
Furniture and fixtures	\$ 9,161	\$ 9,161
Computers	7,721	7,721
Subtotals	16,882	16,882
Less: Accumulated Depreciation	(8,608)	(4,355)
Property and Equipment, Net	\$ 8,274	\$ 12,527

Note 7: Net Assets with Donor Restriction

Net assets with donor restrictions consist of the following as of December 31:

	2021	2020
Promises to give - time restricted	\$ 325,000	\$ -
Restricted contributions - purpose restricted	3,367	2,325
Total	\$ 328,367	\$ 2,325

Net assets released from restrictions for the years ended December 31, 2021 and 2020 consisted of \$600 and \$808,000, respectively, of time or other purpose related expenditures.

March for Our Lives Action Fund and Subsidiary

Notes to Consolidated Financial Statements

Note 8: Related Parties

The Action Fund is affiliated through common management with the March for Our Lives Foundation (the Foundation). The Foundation is a nonprofit organization under Internal Revenue Code (IRC) Section 501(c)(3). The Foundation was established to further the public's knowledge about gun violence prevention and make schools and the nation's youth safer by reducing the occurrence of gun violence.

During the years ended December 31, 2021 and 2020, the Action Fund received grants from the Foundation totaling \$1,750,000 and \$2,750,000, all of which was paid as of December 31, 2021 and 2020. These grants were in furtherance of the Foundation's mission of gun violence prevention and youth and student engagement and empowerment. In addition, the Action Fund provided certain administrative support to the Foundation during the years ended December 31, 2021 and 2020. This administrative support totaled \$85,845 and \$34,350 for the years ended December 31, 2021 and 2020, which included \$26,278 and \$34,350 in accounts receivable for the years then ended.

Note 9: Operating Leases

The Action Fund leases its business premises for the operation of their programs. The operating lease payments for the years ended December 31, 2021 and 2020, were \$83,161 and \$99,290. Minimum future rental payments under these lease agreements consists of \$75,360 for the year ended December 31, 2022.

Note 10: Income Taxes

The Action Fund is exempt from the payment of federal and state taxes on income other than net unrelated income under Section 501(c)(4) of the IRC. As of December 31, 2021 and 2020, no tax provision was made, as the Action Fund had no significant net unrelated business income.

The Action Fund follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification Topic 740, Income Taxes. These provisions provide consistent guidance for accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribed a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Action Fund performed an evaluation of uncertainty in income taxes for the years ended December 31, 2021 and 2020, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. It is the Action Fund's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax expense. As of December 31, 2021 and 2020, the Action Fund had no accruals for interest and/or penalties.