

GIVENKIND
ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

GIVENKIND

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INTRODUCTORY SECTION

2020-2021 GiveNKind Board Members

Natalie Michas – President, Policy and Governance Committee

Gerald Michalski – Vice President, Fundraising and Policy and Governance Committee

Patrick Swartzer – Treasurer, Finance and Policy and Governance Committee

Kyle Johnson – Secretary, Operations Committee

Joanne Johnson - Board Member, Communications

Jon Knott - Board Member, Fundraising Committee

Kathryn McKechnie – Board Member, Finance Committee

Chis Olson – Board Member, Operations Committee

George Wojciechowski – Board Member, Fundraising Committee

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Organization's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

March 17, 2022

Board of Directors
GiveNKind
Gurnee, Illinois

Opinion

We have audited the accompanying financial statements of the GiveNKind (an Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows, and functional expenses for the year 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 the GiveNKind, as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Organization and 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 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, 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the GiveNKind's basic financial statements. The supplemental schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

GIVENKIND

**Statement of Financial Position
December 31, 2021**

ASSETS	
Current Assets	
Cash and Investments	\$ 90,416
Inventory	<u>502,164</u>
Total Current Assets	<u>592,580</u>
Noncurrent Assets	
Capital Assets	
Depreciable	16,965
Nondepreciable	<u>(3,039)</u>
Total Noncurrent Assets	<u>13,926</u>
Total Assets	<u>606,506</u>
LIABILITIES	
Other Payable	<u>1,469</u>
NET ASSETS	
With Donor Restrictions	20,000
Without Donor Restrictions	<u>585,037</u>
Total Net Assets	<u><u>605,037</u></u>

The notes to the financial statements are an integral part of this statement.

GIVENKIND

Statement of Activities

For the Fiscal Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Contributions	\$ 52,155	—	52,155
In-Kind Contributions	8,180,857	—	8,180,857
Grants	40,750	20,000	60,750
Fundraising	25,964	—	25,964
Sales	2,506	—	2,506
Net Assets Released from Restrictions	—	—	—
Total Revenues and Other Support	8,302,232	20,000	8,322,232
Expenses			
Programs Services	7,739,804	—	7,739,804
Supporting Services			
Management and General	10,325	—	10,325
Fundraising	9,502	—	9,502
Total Expenses	7,759,631	—	7,759,631
Change in Net Assets	542,601	20,000	562,601
Net Assets - Beginning	42,436	—	42,436
Net Assets - Ending	585,037	20,000	605,037

The notes to the financial statements are an integral part of this statement.

GIVENKIND

Statement of Cash Flows For the Fiscal Year Ended December 31, 2021

Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets	\$ 562,601
Cash Flows from Capital Activities	
Purchase of Capital Assets	(14,575)
Adjustments to Reconcile Changes in Unrestricted Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	2,561
(Increase) Decrease in Current Assets	(502,164)
Increase (Decrease) in Current Liabilities	(661)
	<u>(500,264)</u>
Net Cash Provided by Operating Activities	47,762
Cash and Cash Equivalents - Beginning	<u>42,654</u>
Cash and Cash Equivalents - Ending	<u><u>90,416</u></u>
Noncash Operating Activities	
In-Kind Donated Goods	8,180,857
In-Kind Expenses	<u>(8,180,857)</u>
	<u><u>—</u></u>

The notes to the financial statements are an integral part of this statement.

GIVENKIND

Statement of Functional Expenses For the Fiscal Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Totals
Event Entertainment	\$ —	—	600	600
Event Supplies	—	—	3,976	3,976
Event Location	—	—	3,200	3,200
Good Sold	—	—	1,491	1,491
In-Kind Contributions	7,678,693	—	—	7,678,693
Fees	1,121	5,088	136	6,345
Contract Services	—	60	—	60
Rentals and Maintenance	4,231	—	—	4,231
Rent	22,400	—	—	22,400
Waste Services	1,550	—	—	1,550
Printing and Copying	—	102	99	201
Office Supplies	83	58	—	141
Insurance	—	250	—	250
Miscellaneous	512	260	—	772
Salaries and Taxes	28,514	4,486	—	33,000
Travel and Meetings	139	21	—	160
Depreciation	2,561	—	—	2,561
	<u>7,739,804</u>	<u>10,325</u>	<u>9,502</u>	<u>7,759,631</u>

The notes to the financial statements are an integral part of this statement.

GIVENKIND

Notes to the Financial Statements

December 31, 2021

NOTE 1 - NATURE OF ORGANIZATION

The GiveNKind (the Organization) is a nonprofit organization that was organized October 6, 2012 under the general Non for Profit Corporation Act of the State of Illinois and Federal Section 501(3) to connect donated goods from individuals and businesses with nonprofit organizations. Nonprofits receive items that support their operations and programs which frees up resources to put back into services. Quality goods live another life in the hands of those in need and diverting usable goods from landfills reduces the environmental impact on all of us. The Organization's primary sources of revenues are from public support contributions and fundraising activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Net Assets

Net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets with Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2021, the Organization have no donor restricted funds that are perpetual in nature.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

Use of Estimates

The preparation of financial statements in accordance 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 reported period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Functional expenses which are not directly attributable to one function are allocated between program, management and general, and fundraising services based on the number of employees involved, the amount of time spent, the percentage of their salary associated with the time and on estimated made by the Organization's management.

GIVENKIND

Notes to the Financial Statements

December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Information

The budget is prepared on the same basis and uses the same accounting principles as are used to prepare the financial statements. The budget is authorized by the Board of Directors which is reviewed bimonthly against actual revenue and expenses by the Board's Finance Committee. The Finance Committee discussed with staff the provisions for generating revenue, assuring long-term solvency, and maintaining services. Their recommendations are presented to the Board of Directors for discussion and decision making. No supplemental appropriations were made during the year.

The Organization had an excess of actual expenses over budget of \$7,690,919 as of the date of this report. The excess of actual expenses over budget can be attributed to the Organization receiving in-kind expense contributions during the fiscal year, which were not budgeted.

Income Taxes

The Organization is exempt from income tax under IRC section 501(c)(3), and similarly, is exempt from State of Illinois taxes under the Illinois Tax Act Section 205(a), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. There was no unrelated business income for the fiscal year ended December 31, 2021.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally, for three years after they were filed. Annual filings with the State of Illinois are, similarly, subject to examination.

Contributed Revenue

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Contributions due in the next year are reflected as current promises to give and are recorded at their net realized value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Cash and Investments

For the purpose of the Statement of Financial Position and Statement of Cash Flows, the Organization's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

GIVENKIND

Notes to the Financial Statements

December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Investments - Continued

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the GiveNKind categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Organization does not have any investments at year end.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1 or more are reported at historical cost or estimated historical cost. Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Machinery and Equipment	5 Years
Furniture and Fixtures	5 - 20 Years
Vehicles	7 Years

NOTE 3 - CASH AND INVESTMENTS

At the fiscal year ended the carrying amount of the Organization's cash deposits totaled \$90,416 and the bank balances totaled \$90,416. The entire balance of deposits was fully insured by federal deposit insurance.

NOTE 4 - AVAILABILITY AND LIQUIDITY

The following represents Organization's financial assets at December 31, 2021:

Financial Assets at Fiscal Year Ended:	
Cash and Investments	\$ 90,416
Inventory	502,164
	<hr/>
	592,580
Less Amounts not Available to be used within one year	
Net Assets with Donor Restrictions	20,000
	<hr/>
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	<hr/> <hr/> 572,580

The Organization's goal is generally to maintain financial assets to meet operating expenses. As part of its liquidity plan, excess cash may be invested in short-term investments, including money market accounts and certificates of deposit.

GIVENKIND

Notes to the Financial Statements December 31, 2021

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Machinery and Equipment	\$ —	125	—	125
Furniture and Fixtures	2,390	5,950	—	8,340
Vehicles	—	8,500	—	8,500
	<u>2,390</u>	<u>14,575</u>	<u>—</u>	<u>16,965</u>
Less Accumulated Depreciation				
Machinery and Equipment	—	25	—	25
Furniture and Fixtures	478	1,322	—	1,800
Vehicles	—	1,214	—	1,214
	<u>478</u>	<u>2,561</u>	<u>—</u>	<u>3,039</u>
Net Capital Assets	<u>1,912</u>	<u>12,014</u>	<u>—</u>	<u>13,926</u>

NOTE 6 - NET ASSETS

With Donor Restrictions

Net Assets with donor restrictions as of December 31, 2021 was comprised of the following:

Future Capital Purchases \$ 20,000

Without Donor Restrictions

Net Assets without donor restrictions as of December 31, 2021 was comprised of the following:

Undesignated \$ 585,037

NOTE 7 - IN-KIND DONATIONS

Donated Goods - The Organization had various goods donated to them during the year ended December 31, 2021. These goods include food, clothing and accessories, home accessories, skincare products, and healthcare products food, clothing and accessories, home accessories, skincare products, and healthcare products. Accordingly, contributions have been recorded for the fair value of the goods of \$8,180,857 for the year ended December 31, 2021. These amounts have been included as contributions revenue and program expenses on the Statement of Activities.

NOTE 8 - CONTINGENT LIABILITIES

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Organization's operations and financial position cannot be determined.

SUPPLEMENTAL SCHEDULE

GIVENKIND**Schedule of Activities - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Revenues and Other Support			
Contributions	\$ 38,250	38,250	52,155
In-Kind Contributions	—	—	8,180,857
Grants	26,000	26,000	60,750
Fundraising	10,750	10,750	25,964
Sales	—	—	2,506
Total Revenues and Other Support	<u>75,000</u>	<u>75,000</u>	<u>8,322,232</u>
Expenses			
Program Services	62,791	62,791	7,739,804
Supporting Services			
Management and General	5,921	5,921	10,325
Fundraising	—	—	9,502
Total Expenses	<u>68,712</u>	<u>68,712</u>	<u>7,759,631</u>
Changes in Net Assets	<u>6,288</u>	<u>6,288</u>	562,601
Net Assets - Beginning			<u>42,436</u>
Net Assets - Ending			<u>605,037</u>