MULTIPLYING GOOD, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2021 AND 2020

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Independent Auditors' Report

To the Board of Governors
Multiplying Good, Inc.

Opinion

We have audited the accompanying financial statements of Multiplying Good, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 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 Multiplying Good, Inc. as of December 31, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Multiplying Good, Inc. 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 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 the 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 Multiplying Good, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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To the Board of Governors
Multiplying Good, Inc.

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.

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 Multiplying Good, Inc.'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 Multiplying Good, Inc.'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.

Belfint, Lyons & Shuman, P.A.

March 30, 2022
Wilmington, Delaware

MULTIPLYING GOOD, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 453,414	$ 123,545
Investments	1,580,100	2,968,418
Accounts Receivable	99,932	57,248
Contributions Receivable, Current Portion	1,785,853	582,214
Prepaid Expenses and Other Assets	14,407	31,904
TOTAL CURRENT ASSETS	3,933,706	3,763,329
OTHER ASSETS		
Contributions Receivable, Net of Current Portion and Discount	-	567,000
Property and Equipment, Net of Accumulated Depreciation	47,844	68,595
TOTAL OTHER ASSETS	47,844	635,595
TOTAL ASSETS	$ 3,981,550	$ 4,398,924
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of Credit	$ -	$ 1,470,000
Accounts Payable	50,617	6,376
Accrued Expense and Other Liabilities	19,119	6,711
Deferred Payroll Tax Liability - Current	41,438	38,505
TOTAL CURRENT LIABILITIES	111,174	1,521,592
OTHER LIABILITIES		
Deferred Payroll Tax Liability - Noncurrent	-	38,505
Paycheck Protection Program Loan - Conditional Grant	-	415,069
Emergency Injury Disaster Loan (EIDL)	149,900	149,900
TOTAL OTHER LIABILITIES	149,900	603,474
TOTAL LIABILITIES	261,074	2,125,066
NET ASSETS		
Without Donor Restrictions	1,917,123	1,098,610
With Donor Restrictions	1,803,353	1,175,248
TOTAL NET ASSETS	3,720,476	2,273,858
TOTAL LIABILITIES AND NET ASSETS	$ 3,981,550	$ 4,398,924

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

MULTIPLYING GOOD, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Corporate, Individual, and Community Contributions	$ 2,493,699	$ 895,153	$ 3,388,852
Forgiveness of Paycheck Protection Program Loans	903,274	-	903,274
Program Fees	205,305	-	205,305
Event Income	448,474	-	448,474
In-Kind Contributions - Media Advertising	2,543,185	-	2,543,185
Contributed Services	483,213	-	483,213
Net Assets Released from Restrictions	267,048	(267,048)	-
TOTAL SUPPORT AND REVENUE	7,344,198	628,105	7,972,303
EXPENSES			
Program	5,815,837	-	5,815,837
Management and General	306,145	-	306,145
Fundraising	507,167	-	507,167
TOTAL EXPENSES	6,629,149	-	6,629,149
CHANGE IN NET ASSETS FROM OPERATIONS	715,049	628,105	1,343,154
NONOPERATING INCOME			
Investment Income	103,464	-	103,464
CHANGE IN NET ASSETS	818,513	628,105	1,446,618
NET ASSETS - Beginning of Year	1,098,610	1,175,248	2,273,858
NET ASSETS - End of Year	$ 1,917,123	$ 1,803,353	$ 3,720,476

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

MULTIPLYING GOOD, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Corporate, Individual, and Community Contributions	$ 1,753,796	$ 694,164	$ 2,447,960
Program Fees	256,500	-	256,500
Event Income	932,570	-	932,570
In-Kind Contributions - Media Advertising	3,057,216	-	3,057,216
Contributed Services	406,908	-	406,908
Net Assets Released from Restrictions	330,290	(330,290)	-
TOTAL REVENUE AND OTHER SUPPORT	6,737,280	363,874	7,101,154
EXPENSES			
Program	6,162,381	-	6,162,381
Management and General	306,598	-	306,598
Fundraising	557,285	-	557,285
TOTAL EXPENSES	7,026,264	-	7,026,264
CHANGE IN NET ASSETS FROM OPERATIONS	(288,984)	363,874	74,890
NONOPERATING INCOME			
Investment Income	123,542	-	123,542
CHANGE IN NET ASSETS	(165,442)	363,874	198,432
NET ASSETS - Beginning of Year	1,264,052	811,374	2,075,426
NET ASSETS - End of Year	$ 1,098,610	$ 1,175,248	$ 2,273,858

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

MULTIPLYING GOOD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

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	Program	Management and General	Fundraising	Total
OPERATING EXPENSES				
Salaries and Wage Payroll Fees	$ 1,930,720	$ 176,229	$ 299,356	$ 2,406,305
Payroll Taxes	164,682	14,920	23,232	202,834
Employee Benefits	122,280	11,420	20,055	153,755
Contract Employees	59,227	-	-	59,227
Other Employee Costs	-	6,776	-	6,776
In-Kind Contributions - Media Advertising	2,543,185	-	-	2,543,185
Contributed Services	483,213	-	-	483,213
Event Expense - Non-Training	139,440	-	66,504	205,944
Event Expense - Training	69,356	-	-	69,356
Travel and Meals	17,111	1,290	1,981	20,382
Public Relations, Promotion, and Marketing	85,688	-	69,262	154,950
Professional Fees	30,000	38,314	-	68,314
Postage and Shipping	5,809	1,564	1,682	9,055
Printing, Publication, and Office Supplies	6,161	387	776	7,324
Rent and Occupancy	21,599	1,835	2,827	26,261
Bank and Processing Fees	-	-	10,134	10,134
Technology and Communication	108,212	9,255	8,047	125,514
Insurance	11,899	6,680	2,061	20,640
Interest Expense	-	17,189	-	17,189
Miscellaneous	-	18,040	-	18,040
TOTAL OPERATING EXPENSES	5,798,582	303,899	505,917	6,608,398
OTHER EXPENSES				
Depreciation and Amortization	17,255	2,246	1,250	20,751
TOTAL FUNCTIONAL EXPENSES	$ 5,815,837	$ 306,145	$ 507,167	$ 6,629,149

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

MULTIPLYING GOOD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

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	Program	Management and General	Fundraising	Total
OPERATING EXPENSES				
Salaries and Wage Payroll Fees	$ 1,756,082	$ 156,279	$ 390,920	$ 2,303,281
Payroll Taxes	142,505	12,682	31,723	186,910
Employee Benefits	118,488	10,545	26,376	155,409
Contract Employees	70,602	8,498	24,727	103,827
Other Employee Costs	-	1,426	-	1,426
In-Kind Contributions - Media Advertising	3,057,216	-	-	3,057,216
Contributed Services	406,908	-	-	406,908
Event Expense - Non-Training	209,683	-	37,003	246,686
Event Expense - Training	83,814	-	-	83,814
Travel and Meals	22,472	1,077	2,661	26,210
Public Relations, Promotion, and Marketing	62,398	-	11,011	73,409
Professional Fees	22,934	15,289	-	38,223
Postage and Shipping	4,082	4,848	345	9,275
Printing, Publication, and Office Supplies	5,463	1,105	1,287	7,855
Rent and Occupancy	63,177	10,547	9,843	83,567
Bank and Processing Fees	-	699	5,139	5,838
Technology and Communication	101,098	13,933	14,513	129,544
Insurance	11,485	7,656	-	19,141
Interest Expense	-	41,754	-	41,754
Miscellaneous	-	17,140	-	17,140
TOTAL OPERATING EXPENSES	6,138,407	303,478	555,548	6,997,433
OTHER EXPENSES				
Depreciation and Amortization	23,974	3,120	1,737	28,831
TOTAL FUNCTIONAL EXPENSES	$ 6,162,381	$ 306,598	$ 557,285	$ 7,026,264

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

MULTIPLYING GOOD, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,446,618	$ 198,432
Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities		
Depreciation and Amortization	20,751	28,831
Income from Forgiveness of Paycheck Protection Program Loans	(903,274)	-
Net Realized Gain on Sale of Investments	(177,441)	(31,722)
Net Unrealized (Gain) Loss on Investments	119,088	(39,390)
(Increase) Decrease in Assets		
Accounts Receivable	(42,684)	(11,100)
Contributions Receivable	(636,639)	(372,730)
Prepaid Expenses and Other Assets	17,497	43,120
Increase (Decrease) in Liabilities		
Accounts Payable	44,241	5,026
Accrued Expenses	12,408	(1,142)
Deferred Payroll Tax Liability	(35,572)	77,010
Deferred Revenue	-	(30,000)
NET CASH FROM OPERATING ACTIVITIES	(135,007)	(133,665)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(960,394)	(1,118,515)
Proceeds from Sale of Investments	2,407,065	1,063,130
Purchase of Property and Equipment	-	(5,923)
NET CASH FROM INVESTING ACTIVITIES	1,446,671	(61,308)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Repayments on Lines of Credit	(1,470,000)	(495,000)
Proceeds from Paycheck Protection Program Loans	488,205	415,069
Proceeds from Emergency Injury Disaster Loan	-	149,900
NET CASH FROM FINANCING ACTIVITIES	(981,795)	69,969
NET CHANGE IN CASH AND CASH EQUIVALENTS	329,869	(125,004)
CASH AND CASH EQUIVALENTS - Beginning of Year	123,545	248,549
CASH AND CASH EQUIVALENTS - End of Year	$ 453,414	$ 123,545
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Interest Paid	$ 17,189	$ 41,754
Donated Investments Sold and Included as Operating Cash Inflows	$ 540,314	$ 314,802

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

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - Multiplying Good, Inc. (Organization) is a national nonprofit organization formed on June 22, 1972. The Organization focuses on elevating public service as a means to empower individuals. Its continuum of activation, training, and recognition has generated ripples of good through service to others. The Organization's support is derived primarily from charitable contributions, fundraising, and program support.

The Organization offers powerful programs that help individuals discover their potential through service to others in the following areas:

<u>*Programs for Youth*</u> - Helping youth become confident, empathic, and empowered leaders. Youth programs include:

Students in Action - A youth service, leadership training, and recognition program that gives teenagers confidence in their ability to make a difference and the skills to do it well.

Youth Leadership Training - Empowering young people involved in service to maximize the impact of their efforts.

Youth Service Recognition - Recognizing young people for outstanding service to others.

<u>*Corporate Partner Program*</u> - Provide opportunities to activate the participant's workforce and support vital youth service, leadership training, and recognition.

<u>*Media Partner Program*</u> - Media Partners work with the Organization to systematically tell good news stories in the context of a national brand and recognize and elevate the best of their communities.

<u>*Jefferson Awards*</u> - Since its inception, the Organization has recognized those who put others first. Through the power and importance of recognition, those receiving Jefferson Awards are empowered to do more, while their stories inspire others to action.

In February 2019, the Organization amended its corporate documents to change its name from The Jefferson Awards for Public Service, Inc. to Multiplying Good, Inc. to more accurately reflect the breadth of its mission and programs.

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets 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. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve or board-designated endowment.
>
> *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 donor-imposed restrictions may be 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 and Revenue Recognition - The Organization recognizes revenue from program fees and events when the services or events are provided. Program fees consist primarily of Champion fees and Media Partner fees. These fees function in a manner similar to membership dues, which are nonrefundable, and are comprised of an exchange element based on the benefits received. The Organization recognizes program fees over a period of time consistent with the relevant Champion or Media Partner period. The Organization recognizes event revenue at a point in time concurrent with the specific event.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions - Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services, including in-kind media advertising, are recorded at the respective fair values of the services received (Note 6).

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NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates - The preparation of 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, and those differences could be material.

Cash and Cash Equivalents - The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Investments - The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments in marketable equity securities and debt securities are stated at fair value as determined by quoted market prices. Net investment income return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investment income restricted by donors is reported as an increase in net assets with donor restrictions.

Accounts Receivable - Accounts receivable consist primarily of noninterest-bearing amounts due for program fees. The Organization does not accrue finance or interest charges. On a periodic basis, management evaluates its accounts receivable balances based on the history of past write-offs, collections, and current credit conditions. An account is written off when it is determined that all collections efforts have been exhausted. As of December 31, 2021 and 2020, all accounts receivable were expected to be collected and no allowance was required.

Receivables from contracts with customers are reported as accounts receivable and contract liabilities are reported as deferred revenue in the statements of financial position.

Contributions Receivable - Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Organization determines an allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As of December 31, 2021 and 2020, the allowance was $0.

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

***Property and Equipment* -** Property and equipment additions over $1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to seven years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2021 and 2020.

***Financial Instruments and Credit Risk* -** The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Uninsured balances were $111,536 and $0 as of December 31, 2021 and 2020, respectively.

Credit risk associated with accounts receivable and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from recurring donors supportive of the Organization's mission.

Investments are made by diversified investment managers whose performance is monitored by the Organization. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Fair Value Measurements - The Organization measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - Continued - The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

> Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.
>
> Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
>
> Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Valuation methodologies used for assets measured at fair value are as follows:

> Common Stock - The fair value of common stock is generally based on quoted market prices for the identical stock.
>
> Corporate Bonds - The fair value for corporate bonds is generally based on quoted market prices for the identical bond; however, quoted market prices may vary for a variety of reasons including the number of market makers and the volume of identical bonds traded on the date of valuation. Estimated fair value may be determined by using other significant observable inputs, such as quoted prices for similar bonds.

Advertising - Costs incurred for advertising are expensed when incurred. The Organization incurred advertising expenses for public relations and marketing in the amount of $20,253 and $73,409 for the years ended December 31, 2021 and 2020, respectively. The value of in-kind media advertising services provided by the Organization's Media Partner Program is disclosed in Note 5.

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements 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. Such allocations are determined by management on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related employee expenses, which are allocated based on estimates of time and effort for full-time employee staff, as well as depreciation, occupancy, and property insurance, which are allocated based on percentage of staff time in occupied office space. All other expenses are allocated based on the benefit derived by the category.

Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes. The Organization is not aware of any activities that would jeopardize its tax-exempt status. Donors may deduct contributions to the Organization as provided by the Internal Revenue Service (IRS) Code.

The Organization follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken, or expected to be taken, on a tax return that are not certain to be realized. The application of this standard had no impact on the Organization's financial statements as of December 31, 2021 and 2020. The Organization's federal Form 990 is subject to examination by the IRS, generally for three years after filing.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which was the date the financial statements were available to be issued.

Deferred Payroll Tax Liability - A provision of the Coronavirus Aid, Relief, and Economic Security (CARES) Act allowed employers to defer the employer portion of Social Security tax for 2020. Under the CARES Act, the employer could refrain from depositing the employer's 6.2% tax accruing on or after April 1, 2020 through December 31, 2020, on eligible salaries. The Organization could instead deposit 50% of the deferred amount by December 31, 2021, and deposit the remaining 50% deferral by December 31, 2022.

MULTIPLYING GOOD, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021

NOTE 2: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes and periods as of December 31:

	2021	2020
Subject to Expenditure for a Specific Purpose		
Public Allies	$ 17,500	$ 17,500
Youth Advisors	-	3,000
Equipment	-	534
Mini Grants	-	5,000
Total Subject to Expenditure for a Specific Purpose	17,500	26,034
Subject to the Passage of Time		
Contributions Receivable that are Not Restricted by Donors But Which are Unavailable for Expenditure Until Due	1,785,853	1,149,214
Total Net Assets With Donor Restrictions	$ 1,803,353	$ 1,175,248

NOTE 3: AVAILABILITY AND LIQUIDITY

Financial assets available to meet cash needs for general expenditures within one year are as follows:

	2021	2020
Financial Assets as of December 31		
Cash and Cash Equivalents	$ 453,414	$ 123,545
Investments	1,580,100	2,968,418
Accounts Receivable	99,932	57,248
Contributions Receivable	1,785,853	1,149,214
Total Financial Assets as of December 31	3,919,299	4,298,425
Less: Amounts Not Available to be Used Within One Year		
Investment Fund Designated by the Board as Liquidity Reserves	(1,661,321)	(3,019,826)
Net Assets With Donor Imposed Restrictions	(1,803,353)	(1,175,248)
Add Back Time Restrictions That Expire in Less Than One Year	1,785,853	582,214
Add Back Purpose Restrictions Expected to be Met in Less Than One Year	17,500	26,034
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 2,257,978	$ 711,599

NOTE 3: AVAILABILITY AND LIQUIDITY - CONTINUED

The Organization's investment fund is board-designated to provide an operating reserve to manage temporary liquidity needs as they arise. The Organization's intent is to replenish the fund annually from operating cash flows to maintain the long-term value of the fund. As a result of intent to preserve/replenish the value of the fund and the funds utilization contingent on liquidity need, the assets are excluded from financial assets available for general expenditures, however, these amounts could be made available by board resolution as necessary.

As described in Note 8, the Organization has a committed line of credit in the amount of $2,100,000, which it could draw upon in the event of an unanticipated liquidity need.

The Organization's short-term liquidity plan is to maintain readily available operating cash to satisfy obligations as they become due. The Organization's board designated investment fund and available line of credit provide additional liquid resources to cover at least 6-months of operating expenses if needed.

NOTE 4: BOARD-DESIGNATED INVESTMENT FUND AND FAIR VALUE MEASUREMENTS

The following table sets forth, by level within the fair value hierarchy, the Organization's investment assets measured at fair value on a recurring basis as of December 31, 2021 and 2020:

	2021				
	Level 1	Level 2	Level 3	Total at Fair Value	Total at Cost
Investments, at Fair Value					
Common Stock	$ 824,477	$ -	$ -	$ 824,477	$ 536,954
Corporate Bonds	755,623	-	-	755,623	747,258
Total	$ 1,580,100	$ -	$ -	$ 1,580,100	$ 1,284,212

	2020				
	Level 1	Level 2	Level 3	Total at Fair Value	Total at Cost
Investments, at Fair Value					
Common Stock	$ 601,548	$ -	$ -	$ 601,548	$ 343,134
Corporate Bonds	2,366,870	-	-	2,366,870	2,210,308
Total	$ 2,968,418	$ -	$ -	$ 2,968,418	$ 2,553,442

NOTE 4: BOARD-DESIGNATED INVESTMENT FUND AND FAIR VALUE MEASUREMENTS - CONTINUED

The components of investment income are as follows for the years ended December 31:

	2021	2020
Dividend and Interest Income	$ 68,949	$ 80,797
Realized Gains	177,441	31,722
Unrealized Gains (Losses)	(119,088)	39,390
Less: Investment Expenses	(23,838)	(28,367)
Total Investment Income - Net	$ 103,464	$ 123,542

The Organization's investment fund is board-designated to provide an operating reserve to manage temporary liquidity needs as they arise. The Organization's intent is to replenish the fund annually from operating cash flows to maintain the long-term value of the fund. The Organization has adopted investment policies for the fund that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the assets.

Prior to 2021, the fund functioned as a quasi-endowment without donor restrictions with an annual spending rate of $180,000. At the direction of the Organization's governing body, and in connection with repurposing the investment fund, the annual spending rate distribution was suspended. During the year ended December 31, 2021, distributions from the investment fund were utilized to satisfy the outstanding balance on the line of credit (Note 8).

Changes in the board-designated investment fund were as follows for the years ended December 31:

	2021	2020
	Without Donor Restrictions	Without Donor Restrictions
Investment Reserves - Beginning of Year	$ 3,019,826	$ 3,073,016
Investment Income - Net	103,464	123,542
Other Deposits into Fund	-	3,268
Distributions from the Fund	(1,461,969)	(180,000)
Investment Reserves - End of Year	$ 1,661,321	$ 3,019,826

The balances in the preceding chart include uninvested cash held within the investment fund in the amount of $81,221 and $51,408 as of December 31, 2021 and 2020, respectively, that is presented with cash and cash equivalents in the accompanying statements of financial position.

NOTE 5: IN-KIND CONTRIBUTIONS

The Organization recognized $2,543,185 and $3,057,216 of in-kind media advertising in the financial statements as revenue for the years ended December 31, 2021 and 2020, respectively. This advertising, including media time or space for public service announcements or other purposes, was used for the Organization's benefit and increased the public's awareness of the Organization, its mission, and the benefits of and need for public service. This donated media advertising was measured at fair value and the related expense was recognized and reported by function based on the nature of the contribution.

The Organization recognized $483,213 and $406,908 of contributed services in the financial statements as revenue for the years ended December 31, 2021 and 2020, respectively. Those donated services were of a specialized skill that the Organization would have had to purchase if not contributed. The donated services were measured at fair value and the related expense was reported by function, based on the nature of the contribution.

In addition to the many volunteers that contribute their time in furtherance of its mission, the Organization's Chief Executive Officer (CEO) contributes her time and services in fulfilling her role. The services of the CEO are not reflected in the accompanying financial statements because they do not meet the necessary criteria for recognition under accounting principles generally accepted in the United States of America. The Organization estimates the value of these unrecorded services to be $250,000.

NOTE 6: CONTRIBUTIONS RECEIVABLE

The following contributions receivable were outstanding as of December 31:

	2021	2020
Receivable in Less than One Year	$ 1,785,853	$ 582,214
Receivable in One to Five Years	-	567,000
	1,785,853	1,149,214
Less: Discounts to Net Present Value	-	-
Total Pledges Receivable - Net	$ 1,785,853	$ 1,149,214

NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2021 and 2020, were as follows:

	2021	2020
Furniture and Equipment	$ 51,336	$ 51,336
Software	193,165	193,165
Leasehold Improvements	5,600	5,600
Total Property and Equipment	250,101	250,101
Less: Accumulated Depreciation	(202,257)	(181,506)
Net Property and Equipment	$ 47,844	$ 68,595

NOTE 8: LINE OF CREDIT

As of December 31, 2021 and 2020, the Organization had a line of credit that permits borrowing up to a maximum amount of $2,100,000. The line of credit is due on demand with no specified expiration date. The line is secured by an investment account held by the Organization. The value of the collateralized investment account as of December 31, 2021 and 2020, was $1,661,321 and $3,019,826, respectively. The line bears interest at the LIBOR daily floating rate plus 2% (2.46% and 2.14% as of December 31, 2021 and 2020, respectively). As of December 31, 2021 and 2020, the outstanding balance on the line of credit was $0 and $1,470,000, respectively.

NOTE 9: PAYCHECK PROTECTION PROGRAM LOAN - CONDITIONAL GRANT

On May 5, 2020, the Organization received proceeds in the amount of $415,069 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the CARES Act, provides loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest may be eligible for forgiveness as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for a period of ten months after the end of the covered period. The Organization utilized the proceeds for purposes consistent with the PPP. The PPP loan meets the definition of a conditional grant liability as of December 31, 2020, in accordance with accounting principles generally accepted in the United States of America. The Organization submitted an application for forgiveness, and in February 2021, received notification that the loan was fully forgiven.

NOTE 9: PAYCHECK PROTECTION PROGRAM LOAN - CONDITIONAL GRANT - CONTINUED

On January 22, 2021, the Organization received proceeds in the amount of $488,205 under Round 2 of the PPP. The Organization submitted an application for forgiveness, and on August 20, 2021, received notification that the loan was fully forgiven.

NOTE 10: ECONOMIC INJURY DISASTER LOAN

In July 2020, the Organization received a net loan in the amount of $149,900 from the U.S. Small Business Administration under its Economic Injury Disaster Loan (EIDL) Program. The EIDL Loan requires monthly payments of principal and interest in the amount of $641. Interest incurs at a rate of 2.75%. Payments are deferred for a period of 30 months and are expected to begin in January 2023. The loan matures in June 2050 and is secured by assets of the Organization. Payments are first applied toward accrued interest, therefore, allocation of payments toward loan principal will begin in 2025.

Future principal maturities of the EIDL loan are as follows:

2022	$ -
2023	-
2024	-
2025	734
2026	3,633
Therafter	145,533
	$ 149,900

NOTE 11: LEASE COMMITMENTS

As of December 31, 2021, the Organization leased office space in Wilmington, Delaware under a lease agreement that expires in October 2022. The Organization also leased space in New York, New York under a lease agreement that expired in 2021. Rent expense for the years ended December 31, 2021 and 2020, was $26,261 and $83,567, respectively.

Future minimum lease payments required under the Wilmington, Delaware lease for the year ended 2022 through the lease's expiration is $14,525.

NOTE 12: REVENUE AND CONTRACT BALANCES

Revenue from contracts is derived from program fees, which are recognized over time as services are provided, and event fees, which are recognized at a point in time coincident with an event.

The Organization's contracts associated with program fees and event fees are short-term in nature, with terms less than one year.

Opening and closing balances for revenue from program fees and event fees are as follows for 2021 and 2020:

	Accounts Receivable		Contract Assets		Contract Liabilities	
	2021	2020	2021	2020	2021	2020
Beginning of Year	$ 57,248	$ 46,148	$ -	$ -	$ -	$ 30,000
End of Year	99,932	57,248	-	-	-	-

NOTE 13: RETIREMENT BENEFITS

The Organization sponsors an IRS Section 408(p) SIMPLE qualified retirement plan. The plan covers all full-time employees who are at least 21 years old. In December 2017, the Organization made the decision to discontinue its matching policy effective June 15, 2018. The Organization's matching contributions were $0 for the years ended December 31, 2021 and 2020.