

Millennial Action Project

Financial Statements
and Independent Auditors' Report

December 31, 2020 and 2019

Millennial Action Project

Financial Statements
December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Millennial Action Project

We have audited the accompanying financial statements of Millennial Action Project (MAP), which comprise the statements of financial position as of December 31, 2020 and 2019; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MAP as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 18-19 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, flowing style.

Vienna, Virginia
November 22, 2021

Millennial Action Project

Statements of Financial Position December 31, 2020 and 2019

| | 2020 | 2019 |
|--|------------------|------------------|
| Assets | | |
| Cash | \$ 561,324 | \$ 593,331 |
| Investments | 3,129,007 | 455,049 |
| Accounts receivable | 13 | 28,516 |
| Grants and contributions receivable | - | 895 |
| Prepaid expenses | 14,083 | 413 |
| Property and equipment, net | 7,374 | 1,980 |
| Total assets | \$ 3,711,801 | \$ 1,080,184 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 8,337 | \$ 20,053 |
| Loan payable – Paycheck Protection Program | 146,619 | - |
| Accrued interest payable | 960 | - |
| Total liabilities | 155,916 | 20,053 |
| Net Assets | | |
| Without donor restrictions: | | |
| Undesignated | 2,473,271 | 1,060,131 |
| Board-designated operating reserve | 892,500 | - |
| Total without donor restrictions | 3,365,771 | 1,060,131 |
| With donor restrictions | 190,114 | - |
| Total net assets | 3,555,885 | 1,060,131 |
| Total liabilities and net assets | \$ 3,711,801 | \$ 1,080,184 |

Millennial Action Project

Statement of Activities
For the Year Ended December 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--------------------------------------|-------------------------------|----------------------------|---------------------|
| Revenue and Support | | | |
| Grants | \$ 3,369,000 | \$ 250,000 | \$ 3,619,000 |
| Contributions | 247,958 | - | 247,958 |
| In-kind contributions | 146,800 | - | 146,800 |
| Investment return | 3,420 | - | 3,420 |
| Miscellaneous income | 189 | - | 189 |
| Released from restrictions | 59,886 | (59,886) | - |
| | <u>3,827,253</u> | <u>190,114</u> | <u>4,017,367</u> |
| Expenses | | | |
| Program services | 1,027,642 | - | 1,027,642 |
| Supporting services: | | | |
| Management and general | 298,078 | - | 298,078 |
| Fundraising | 195,893 | - | 195,893 |
| | <u>493,971</u> | <u>-</u> | <u>493,971</u> |
| Total expenses | <u>1,521,613</u> | <u>-</u> | <u>1,521,613</u> |
| Change in Net Assets | 2,305,640 | 190,114 | 2,495,754 |
| Net Assets, beginning of year | <u>1,060,131</u> | <u>-</u> | <u>1,060,131</u> |
| Net Assets, end of year | <u>\$ 3,365,771</u> | <u>\$ 190,114</u> | <u>\$ 3,555,885</u> |

See accompanying notes.

Millennial Action Project

Statement of Activities
For the Year Ended December 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--------------------------------------|-------------------------------|----------------------------|---------------------|
| Revenue and Support | | | |
| Grants | \$ 857,500 | \$ - | \$ 857,500 |
| Contributions | 420,327 | - | 420,327 |
| In-kind contributions | 160,138 | - | 160,138 |
| Investment return | 2,188 | - | 2,188 |
| Miscellaneous income | 474 | - | 474 |
| Released from restrictions | 61,170 | (61,170) | - |
| Total revenue and support | <u>1,501,797</u> | <u>(61,170)</u> | <u>1,440,627</u> |
| Expenses | | | |
| Program services | 895,246 | - | 895,246 |
| Supporting services: | | | |
| Management and general | 163,619 | - | 163,619 |
| Fundraising | 176,964 | - | 176,964 |
| Total supporting services | <u>340,583</u> | <u>-</u> | <u>340,583</u> |
| Total expenses | <u>1,235,829</u> | <u>-</u> | <u>1,235,829</u> |
| Change in Net Assets | 265,968 | (61,170) | 204,798 |
| Net Assets, beginning of year | <u>794,163</u> | <u>61,170</u> | <u>855,333</u> |
| Net Assets, end of year | <u>\$ 1,060,131</u> | <u>\$ -</u> | <u>\$ 1,060,131</u> |

See accompanying notes.

Millennial Action Project

Statement of Functional Expenses For the Year Ended December 31, 2020

| | Supporting Services | | | | Total |
|------------------------|---------------------|---------------------------|-------------------|---------------------------------|---------------------|
| | Program Services | Management and General | Fundraising | Total Supporting Services | |
| Salaries | \$ 654,648 | \$ 88,599 | \$ 134,820 | \$ 223,419 | \$ 878,067 |
| Employee benefits | 58,062 | 7,436 | 11,828 | 19,264 | 77,326 |
| Payroll taxes | 56,386 | 7,786 | 11,107 | 18,893 | 75,279 |
| Accounting fees | - | 17,566 | - | 17,566 | 17,566 |
| Professional fees | 90,016 | 28,911 | 7,335 | 36,246 | 126,262 |
| Advertising | 8,773 | 120 | 1,243 | 1,363 | 10,136 |
| Office expenses | 41,308 | 5,265 | 9,656 | 14,921 | 56,229 |
| Information technology | 16,860 | 2,237 | 5,689 | 7,926 | 24,786 |
| Occupancy | 89,231 | 137,287 | 13,292 | 150,579 | 239,810 |
| Travel | 4,046 | 28 | 38 | 66 | 4,112 |
| Meetings | 6,019 | 484 | 543 | 1,027 | 7,046 |
| Interest | - | 960 | - | 960 | 960 |
| Insurance | 2,293 | 311 | 342 | 653 | 2,946 |
| Depreciation | - | 1,088 | - | 1,088 | 1,088 |
| Total Expenses | \$ 1,027,642 | \$ 298,078 | \$ 195,893 | \$ 493,971 | \$ 1,521,613 |

See accompanying notes.

Millennial Action Project

Statement of Functional Expenses For the Year Ended December 31, 2019

| | Supporting Services | | | | Total |
|------------------------|---------------------|---------------------------|-------------------|---------------------------------|---------------------|
| | Program Services | Management and General | Fundraising | Total Supporting Services | |
| Salaries | \$ 466,402 | \$ 64,538 | \$ 72,054 | \$ 136,592 | \$ 602,994 |
| Employee benefits | 35,796 | 9,465 | 4,694 | 14,159 | 49,955 |
| Payroll taxes | 42,901 | 6,605 | 6,624 | 13,229 | 56,130 |
| Accounting fees | - | 15,892 | - | 15,892 | 15,892 |
| Professional fees | 44,280 | 2,143 | 6,017 | 8,160 | 52,440 |
| Advertising | 7,566 | 27 | 61,088 | 61,115 | 68,681 |
| Office expenses | 22,903 | 965 | 3,195 | 4,160 | 27,063 |
| Information technology | 11,174 | 539 | 2,139 | 2,678 | 13,852 |
| Occupancy | 96,147 | 62,735 | 15,319 | 78,054 | 174,201 |
| Travel | 91,468 | 210 | 4,646 | 4,856 | 96,324 |
| Meetings | 76,609 | 280 | 1,188 | 1,468 | 78,077 |
| Depreciation | - | 220 | - | 220 | 220 |
| Total Expenses | \$ 895,246 | \$ 163,619 | \$ 176,964 | \$ 340,583 | \$ 1,235,829 |

Millennial Action Project

Statements of Cash Flows For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---|--------------|------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ 2,495,754 | \$ 204,798 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Realized and unrealized gain on investments | - | (78) |
| Donated securities | - | (20,855) |
| Depreciation | 1,088 | 220 |
| Change in operating assets and liabilities: | | |
| Decrease (increase) in: | | |
| Accounts receivable | 28,503 | (28,516) |
| Grants and contributions receivable | 895 | 29,105 |
| Prepaid expenses | (13,670) | (413) |
| (Decrease) increase in: | | |
| Accounts payable and accrued expenses | (11,716) | 7,693 |
| Accrued interest payable | 960 | - |
| | 2,501,814 | 191,954 |
| Cash Flows from Investing Activities | | |
| Purchases of property and equipment | (6,482) | (2,200) |
| Purchases of investments | (3,103,958) | (599,116) |
| Proceeds from sales of investments | 430,000 | 165,000 |
| | (2,680,440) | (436,316) |
| Cash Flows from Financing Activity | | |
| Proceeds from issuance of loan payable – Paycheck Protection Program | 146,619 | - |
| | 146,619 | - |
| Net Decrease in Cash | (32,007) | (244,362) |
| Cash, beginning of year | 593,331 | 837,693 |
| Cash, end of year | \$ 561,324 | \$ 593,331 |

See accompanying notes.

Millennial Action Project

Notes to Financial Statements
December 31, 2020 and 2019

1. Nature of Operations

The Millennial Action Project (MAP) was incorporated under the laws of the District of Columbia in 2014, as a 501(c)(3) not-for-profit corporation dedicated to re-establish political cooperation across parties and defeat the polarization and gridlock that is holding back the government and country. Although incorporated in 2014, MAP's first full year of operations began in 2016. The current generation has a unique opportunity to forge a new path and lead the nation into the future, which is why MAP is committed to activating the nation's youngest generation of leaders and lawmakers.

MAP works directly with the nation's leading young policymakers on both a national and state level to spur bipartisan legislation and innovative policy solutions. As a national, nonpartisan, nonprofit dedicated to activating millennial policymakers, MAP gives the nation's young leaders the resources and support to create, introduce, and pass legislation and forge productive partnerships on the issues affecting the youngest generation of Americans. Working in concert with lawmakers, MAP has advanced legislation on issues including entrepreneurship, technology, 21st century skills training, veterans' employment, immigration, volunteerism, and more – including the introduction of the first bipartisan legislation on ridesharing and social impact bonds. MAP is primarily funded through grants and contributions.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

MAP's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions in the following classes:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Included in net assets without donor restrictions is a Board-designated operating reserve to support capacity building and outreach services. The Board-designated operating reserve is invested according to MAP's investment policy, and funds are used to achieve sustainable and strategic operational growth.

Millennial Action Project

Notes to Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation (continued)

- *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 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.

Investments

Investments are stated at fair value based on quoted market prices. Investments are originally recorded at cost, and are adjusted to fair value at the end of each reporting period. Investment return is reported in the accompanying statements of activities.

Accounts Receivable

Accounts receivable are recorded at net realizable value and due within one year. MAP analyzes the collectability of individual receivables based on management's judgment considering historical information. No allowance for doubtful accounts is recorded at December 31, 2020 and 2019, as management believes that all amounts are fully collectible.

Grants and Contributions Receivable

Grants and contributions receivable are expected to be collected within one year, and are recorded at net realizable value. No allowance for doubtful accounts has been recorded, as management believes that all receivables are fully collectible.

Property and Equipment

Equipment exceeding \$1,000 and with a projected useful life exceeding one year are reported at cost. Depreciation on all property and equipment is computed using the straight-line method over the estimated useful lives of the assets, currently estimated at five years. Repairs and maintenance costs are expensed as incurred.

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Notes to Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions that are nonreciprocal are recognized as contributions. MAP reports grants and contributions as net assets with donor restrictions if they are received or promised with donor stipulations that limit the use of the donated assets to certain programs or to a future year. When a donor restriction expires, 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 statements of activities as net assets released from restrictions. However, net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Donated services that meet the criteria for recognition are recognized at fair value at the time of donation. These services benefit the general programs and consist primarily of public relations, consulting, legal, and professional services. The value of these donated services is included in the financial statements as both revenue and expense in the amounts of \$32,800 and \$113,245 for the years ended December 31, 2020 and 2019, respectively.

Additionally, MAP receives in-kind contributions of facilities and the use of office equipment from a shared office space provider. The value of these donated facilities is included in the financial statements as both revenue and expense in the amounts of \$114,000 and \$46,893 for the years ended December 31, 2020 and 2019, respectively.

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.

Advertising Costs

MAP expenses advertising costs as incurred. Advertising costs totaled \$10,136 and \$68,681 for the years ended December 31, 2020 and 2019, respectively.

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Notes to Financial Statements
December 31, 2020 and 2019

2. Summary of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2022.

Subsequent Events

In preparing these financial statements, MAP has evaluated events and transactions for potential recognition or disclosure through November 22, 2021, the date the financial statements were available to be issued.

3. Liquidity and Availability

MAP strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Management periodically reviews MAP's liquid asset needs and adjusts the cash balance as necessary. Amounts in excess of operating liquidity are invested in various short-term and highly liquid securities.

Additionally, MAP considers the Board-designated operating reserve and net assets with donor restrictions for use in current programs, which are ongoing, major, and central to its annual operations, to be available to meet cash needs for general expenditures.

Millennial Action Project

Notes to Financial Statements
December 31, 2020 and 2019

3. Liquidity and Availability (continued)

Financial assets that are available for general expenditures within one year of the statements of financial position date comprise the following at December 31:

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Cash | \$ 561,324 | \$ 593,331 |
| Investments | 3,129,007 | 455,049 |
| Accounts receivable | 13 | 28,516 |
| Grants and contributions receivable | - | 895 |
| Total available for general expenditures | <u>\$ 3,690,344</u> | <u>\$ 1,077,791</u> |

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject MAP to significant concentrations of credit risk consist of cash and investments. MAP maintains various cash deposit and transaction accounts with financial institutions, and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). MAP has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue Risk

For the years ended December 31, 2020 and 2019, a substantial portion of MAP's revenue was generated from two donors and three donors, respectively. The donations totaled approximately 64% and 57% of MAP's total revenue and support for the years ended December 31, 2020 and 2019, respectively. A potential reduction or change in funding from these donors in the future could significantly impact MAP's ability to carry out its current program activities.

Millennial Action Project

Notes to Financial Statements
December 31, 2020 and 2019

5. Investments and Fair Value Measurements

MAP follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

In general, and where applicable, MAP uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

Investments measured at fair value at December 31, 2020 and 2019 were Level 1 investments, totaled \$3,129,007 and \$455,049, respectively, and consisted of mutual funds.

Investment return consists of the following for the years ended December 31:

| | 2020 | 2019 |
|------------------------------|-----------------|-----------------|
| Interest and dividends | \$ 3,420 | \$ 2,110 |
| Realized and unrealized gain | - | 78 |
| Total investment return | <u>\$ 3,420</u> | <u>\$ 2,188</u> |

There were no investment management fees during the years ended December 31, 2020 and 2019.

Millennial Action Project

Notes to Financial Statements
December 31, 2020 and 2019

6. Property and Equipment

Property and equipment consist of the following at December 31:

| | <u>2020</u> | <u>2019</u> |
|--------------------------------|-----------------|-----------------|
| Computers | \$ 8,682 | \$ 2,200 |
| Total property and equipment | 8,682 | 2,200 |
| Less: accumulated depreciation | <u>(1,308)</u> | <u>(220)</u> |
| Property and equipment, net | <u>\$ 7,374</u> | <u>\$ 1,980</u> |

7. Loan Payable – Paycheck Protection Program

MAP applied for a loan under the Paycheck Protection Program (PPP) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 coronavirus, for which MAP qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities).

The loan was granted to MAP on May 2, 2020 in the amount of \$146,619, and management used the entire loan amount for qualifying expenses in order to apply for full forgiveness. The terms of the loan note that it would bear interest at a fixed rate of 1.00%, which is payable monthly commencing on November 2, 2020 and maturing on May 2, 2022. The proceeds from this loan may be repaid by MAP at any time prior to maturity with no prepayment penalties, should full forgiveness not be granted. At December 31, 2020, MAP recorded \$146,619 as a loan payable and \$960 as accrued interest payable, which are reflected in the accompanying statements of financial position.

Subsequent to year end on May 7, 2021, the SBA approved full forgiveness of the loan, and remitted the forgiveness amount to the financial institution, including applicable interest accruals.

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Notes to Financial Statements
December 31, 2020 and 2019

8. Commitments and Contingencies

Operating Leases

Through August 31, 2019, MAP leased office space under an operating arrangement with a shared office space provider. The lease required fixed monthly payments for the term of the lease.

On August 27, 2019, MAP signed a lease for a two-year commitment for office space in a shared working environment. This lease commenced on October 1, 2019 and is scheduled to expire on September 30, 2021. The lease requires fixed monthly payments over the term of the lease, and includes incentives such as monthly discounts.

Rent expense for the years ended December 31, 2020 and 2019 totaled \$114,636 and \$116,244, respectively.

Future minimum lease payments under the operating leases total \$90,000 for the year ending December 31, 2021.

Service Organization

On January 9, 2019, MAP began contracting with Justworks as their professional employer organization. Justworks was the employer of record for tax, benefits, and insurance purposes for MAP's employees. This co-employment relationship allowed MAP to maintain direct control of the day-to-day activities of employees, while Justworks assumed the administrative functions of human resources and absorbed many employer-related liabilities.

Venue Agreements

MAP has entered into agreements with various venues for future events. The agreements indicate that MAP can be held liable for certain cancellation fees and liquidated damages in the event of cancellation.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions totaled \$190,114 at December 31, 2020, and were all held for program restrictions. There were no net assets with donor restrictions at December 31, 2019.

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Notes to Financial Statements
December 31, 2020 and 2019

10. Related Party Transactions

During the years ended December 31, 2020 and 2019, MAP received contributions from Board members in the amount of \$27,802 and \$27,216, respectively.

11. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The majority of the expenses are allocated using an indirect allocation methodology, which allocates expenses across program, administrative, and fundraising functions on the basis of estimates of time and effort spent by employees in those areas.

12. Retirement Plan

MAP maintains a 401(k) plan, which covers substantially all employees meeting certain age and service requirements. Participants may contribute a portion of their annual compensation on a pretax basis, subject to limitations established by the Internal Revenue Service. MAP may make discretionary contributions to the plan. Contributions to the plan totaled \$16,421 and \$9,680 for the years ended December 31, 2020 and 2019, respectively.

13. Income Taxes

MAP is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC). For the years ended December 31, 2020 and 2019, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Contributions to MAP are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated MAP's tax positions and concluded that MAP's financial statements do not include any uncertain tax positions.

14. COVID-19 Pandemic

The COVID-19 outbreak in the United States and around the world has caused business disruption due to mandatory lockdowns implemented in most states in order to slow down the spread of the virus. MAP's management has been monitoring the situation and implementing certain changes in its operations and upcoming events in order to mitigate the impact of this pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration, and the full financial impact cannot be reasonably estimated at this time.

SUPPLEMENTARY INFORMATION

Millennial Action Project

Comparative Statements of Activities December 31, 2020 and 2019

| | 2020 | 2019 |
|--------------------------------------|--------------|--------------|
| Revenue and Support | | |
| Grants | \$ 3,619,000 | \$ 857,500 |
| Contributions | 247,958 | 420,327 |
| In-kind contributions | 146,800 | 160,138 |
| Investment return | 3,420 | 2,188 |
| Miscellaneous income | 189 | 474 |
| | <hr/> | <hr/> |
| Total revenue and support | 4,017,367 | 1,440,627 |
| | <hr/> | <hr/> |
| Expenses | | |
| Program services | 1,027,642 | 895,246 |
| Supporting services: | | |
| Management and general | 298,078 | 163,619 |
| Fundraising | 195,893 | 176,964 |
| | <hr/> | <hr/> |
| Total supporting services | 493,971 | 340,583 |
| | <hr/> | <hr/> |
| Total expenses | 1,521,613 | 1,235,829 |
| | <hr/> | <hr/> |
| Change in Net Assets | 2,495,754 | 204,798 |
| Net Assets, beginning of year | 1,060,131 | 855,333 |
| | <hr/> | <hr/> |
| Net Assets, end of year | \$ 3,555,885 | \$ 1,060,131 |
| | <hr/> <hr/> | <hr/> <hr/> |

Millennial Action Project

Comparative Statements of Functional Expenses December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|------------------------|-----------------------------------|-----------------------------------|
| Salaries | \$ 878,067 | \$ 602,994 |
| Employee benefits | 77,326 | 49,955 |
| Payroll taxes | 75,279 | 56,130 |
| Accounting fees | 17,566 | 15,892 |
| Professional fees | 126,262 | 52,440 |
| Advertising | 10,136 | 68,681 |
| Office expenses | 56,229 | 27,063 |
| Information technology | 24,786 | 13,852 |
| Occupancy | 239,810 | 174,201 |
| Travel | 4,112 | 96,324 |
| Meetings | 7,046 | 78,077 |
| Interest | 960 | - |
| Insurance | 2,946 | - |
| Depreciation | 1,088 | 220 |
| Total Expenses | <u><u>\$ 1,521,613</u></u> | <u><u>\$ 1,235,829</u></u> |