



**EVERYTOWN FOR GUN SAFETY SUPPORT FUND**

Financial Statements

December 31, 2021 and 2020

(With Independent Auditors' Report Thereon)

## EVERYTOWN FOR GUN SAFETY SUPPORT FUND

### Table of Contents

	<b>Page(s)</b>
Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position as of December 31, 2021 and 2020	3
Statements of Activities for the years ended December 31, 2021 and 2020	4
Statements of Functional Expenses for the years ended December 31, 2021 and 2020	5-6
Statements of Cash Flows for the years ended December 31, 2021 and 2020	7
Notes to Financial Statements	8-13



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## **Independent Auditors' Report**

The Board of Directors  
Everytown for Gun Safety Support Fund:

### *Opinion*

We have audited the financial statements of Everytown for Gun Safety Support Fund (the Fund), which comprise the balance sheets 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 accompanying financial statements present fairly, in all material respects, the financial position of the Fund 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 U.S. generally accepted accounting principles.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 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 GAAS, 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 Fund'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 Fund'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.

*KPMG LLP*

New York, New York  
July 1, 2022

**EVERYTOWN FOR GUN SAFETY SUPPORT FUND**

Statements of Financial Position

December 31, 2021 and 2020

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents (note 2)	\$ 20,096,344	23,993,298
Contributions receivable, net (note 3)	2,189,867	2,339,304
Prepaid expenses and other assets	190,216	92,165
Fixed assets, net (note 4)	1,368,540	1,444,865
Total assets	<u>\$ 23,844,967</u>	<u>27,869,632</u>
<b>Liabilities</b>		
Grants payable	\$ 1,192,500	170,000
Accrued expenses and other liabilities	1,125,519	984,441
Due to Everytown for Gun Safety Action Fund (note 6)	790,188	591,416
Total liabilities	<u>3,108,207</u>	<u>1,745,857</u>
<b>Net Assets</b>		
Net assets without donor restrictions	17,054,134	23,626,445
Net assets with donor restrictions (note 5)	3,682,626	2,497,330
Total net assets	<u>20,736,760</u>	<u>26,123,775</u>
Total liabilities and net assets	<u>\$ 23,844,967</u>	<u>27,869,632</u>

See accompanying notes to financial statements.

**EVERYTOWN FOR GUN SAFETY SUPPORT FUND**

Statements of Activities

Years ended December 31, 2021 and 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue and other income:						
Contributions and grants (note 3)	\$ 28,838,796	3,349,065	32,187,861	27,800,157	2,200,903	30,001,060
Fundraising event revenue, net of direct expenses of \$10,169 in 2020	—	—	—	429,831	—	429,831
Other income	117,463	—	117,463	69,385	—	69,385
Forfeiture of restricted funds	—	(450,000)	(450,000)	—	(865,000)	(865,000)
Net assets released from restrictions	1,713,769	(1,713,769)	—	5,445,339	(5,445,339)	—
<b>Total revenue and other income</b>	<b>30,670,028</b>	<b>1,185,296</b>	<b>31,855,324</b>	<b>33,744,712</b>	<b>(4,109,436)</b>	<b>29,635,276</b>
Expenses:						
Program expenses:						
Public education and research	32,448,225	—	32,448,225	30,028,141	—	30,028,141
Supporting services:						
Management and general	4,000,949	—	4,000,949	3,875,414	—	3,875,414
Fundraising	793,165	—	793,165	923,525	—	923,525
<b>Total expenses</b>	<b>37,242,339</b>	<b>—</b>	<b>37,242,339</b>	<b>34,827,080</b>	<b>—</b>	<b>34,827,080</b>
Change in net assets	(6,572,311)	1,185,296	(5,387,015)	(1,082,368)	(4,109,436)	(5,191,804)
Net assets, beginning of year	23,626,445	2,497,330	26,123,775	24,708,813	6,606,766	31,315,579
Net assets, end of year	\$ 17,054,134	3,682,626	20,736,760	23,626,445	2,497,330	26,123,775

See accompanying notes to financial statements.

**EVERYTOWN FOR GUN SAFETY SUPPORT FUND**

Statement of Functional Expenses

Year ended December 31, 2021

	<u>Public education and research</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>2021 Total</u>
Salaries and employee benefits:				
Salaries	\$ 11,085,318	1,037,892	219,628	12,342,838
Employee benefits and payroll taxes	<u>3,287,290</u>	<u>287,560</u>	<u>49,472</u>	<u>3,624,322</u>
	14,372,608	1,325,452	269,100	15,967,160
Other expenses:				
Grants awarded	6,952,146	—	—	6,952,146
Professional fees:				
Accounting and audit fees	—	1,729,184	—	1,729,184
Legal fees	3,256,261	58,284	12,334	3,326,879
Fundraising services	—	—	416,396	416,396
Other professional fees	5,014,600	112,835	42,365	5,169,800
Advertising	209,400	—	—	209,400
Travel and lodging	94,187	1,683	27,595	123,465
Conferences, conventions, and meetings	359,329	103	820	360,252
Data acquisitions	691,393	—	—	691,393
Postage and printing	27,419	172	2,150	29,741
Computer and other equipment	172,266	173,530	—	345,796
Office expenses	184,706	334,148	13	518,867
Occupancy	666,625	52,781	11,169	730,575
Depreciation and amortization	385,374	36,082	7,635	429,091
Insurance	—	116,152	—	116,152
Other expenses	<u>61,911</u>	<u>60,543</u>	<u>3,588</u>	<u>126,042</u>
	<u>\$ 32,448,225</u>	<u>4,000,949</u>	<u>793,165</u>	<u>37,242,339</u>

See accompanying notes to financial statements.

**EVERYTOWN FOR GUN SAFETY SUPPORT FUND**

Statement of Functional Expenses

Year ended December 31, 2020

	<u>Public education and research</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>2020 Total</u>
Salaries and employee benefits:				
Salaries	\$ 10,168,993	881,251	252,814	11,303,058
Employee benefits and payroll taxes	<u>2,948,575</u>	<u>249,739</u>	<u>54,257</u>	<u>3,252,571</u>
	13,117,568	1,130,990	307,071	14,555,629
Other expenses:				
Grants awarded	6,571,909	—	—	6,571,909
Professional fees:				
Accounting and audit fees	—	1,701,674	—	1,701,674
Legal fees	2,819,310	300,359	12,656	3,132,325
Fundraising services	—	—	472,489	472,489
Other professional fees	4,326,173	178,245	45,130	4,549,548
Advertising	657,700	—	—	657,700
Travel and lodging	380,839	42	57,633	438,514
Conferences, conventions, and meetings	506,724	3,336	1,649	511,709
Polling and surveys	389,000	—	—	389,000
Postage and printing	38,354	11	2,145	40,510
Computer and other equipment	123,561	137,050	—	260,611
Office expenses	119,216	244,833	—	364,049
Occupancy	705,551	52,426	15,040	773,017
Depreciation and amortization	114,037	9,883	2,835	126,755
Insurance	1,271	62,838	—	64,109
Other expenses	<u>156,928</u>	<u>53,727</u>	<u>6,877</u>	<u>217,532</u>
	<u>\$ 30,028,141</u>	<u>3,875,414</u>	<u>923,525</u>	<u>34,827,080</u>

See accompanying notes to financial statements.



**EVERYTOWN FOR GUN SAFETY SUPPORT FUND**

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ (5,387,015)	(5,191,804)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization expense	429,091	126,755
Changes in operating assets and liabilities:		
Contributions receivable	149,437	3,955,449
Prepaid expenses and other assets	(98,051)	396,020
Grants payable	1,022,500	107,500
Accrued expenses and other liabilities	141,078	(329,797)
Due to Everytown for Gun Safety Action Fund	198,772	161,168
Net cash used in operating activities	<u>(3,544,188)</u>	<u>(774,709)</u>
Cash flows from investing activity:		
Purchase of fixed assets	<u>(352,766)</u>	<u>(1,265,766)</u>
Net cash used in investing activity	<u>(352,766)</u>	<u>(1,265,766)</u>
Net decrease in cash and cash equivalents	(3,896,954)	(2,040,475)
Cash and cash equivalents, beginning of year	<u>23,993,298</u>	<u>26,033,773</u>
Cash and cash equivalents, end of year	<u><u>\$ 20,096,344</u></u>	<u><u>23,993,298</u></u>

See accompanying notes to financial statements.

## EVERYTOWN FOR GUN SAFETY SUPPORT FUND

Notes to Financial Statements

December 31, 2021 and 2020

### (1) Organization and Significant Accounting Policies

#### (a) Organization

Everytown for Gun Safety Support Fund (the Fund) was incorporated in December 2007 to educate the public about the detrimental effects of illegal guns, to reduce gun violence in the United States, and to lessen the burden on government by assisting American local governments and law enforcement agencies in their efforts to develop effective policies to combat illegal guns.

#### (b) Basis of Presentation

The Fund's financial statements are prepared on the accrual basis of accounting. The financial statements present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Fund and changes therein are classified and reported as discussed below.

Net assets without donor restrictions are not restricted by donors or the donor-imposed restrictions have expired.

Net assets with donor restrictions contain donor-imposed restrictions that permit the Fund to use or expend the assets for particular purposes or in specific time periods and donor-restricted endowments. As of December 31, 2021 and 2020, the Fund had no donor-restricted endowment funds.

Revenues are reported as changes in net assets without donor restrictions unless their use is limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions.

#### (c) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make certain 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### (d) Contributions and Grants

Contributions and grants, including unconditional promises to give, are recognized as revenue when they are received. A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and right of return for the transferred assets or a right of release of the promisor's obligating to transfer assets. Conditional contributions are recognized as revenue when the barrier(s) in the agreement are overcome. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as net assets without donor restrictions. All other donor-restricted support is reported as an increase to net assets with donor restrictions. When a donor restriction on net assets is met through the passage of time or fulfillment of a purpose restriction, 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.

## EVERYTOWN FOR GUN SAFETY SUPPORT FUND

Notes to Financial Statements

December 31, 2021 and 2020

Contributions receivable are reported at estimated fair value at the date of the gift. Fair value of contributions receivable is measured based on the present value of future cash flows, with consideration of expectations about possible variations in the amount and/or timing of the cash flows and other specific factors that would be considered by market participants. The fair value measurements also include consideration of donors' credit risk.

### **(e) Income Tax Status**

The Fund is a Section 501(c)(3) organization, which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code. The Fund is also exempt from state and local income taxes. Income generated from activities unrelated to the Fund's exempt purpose is subject to tax under Internal Revenue Code Section 511. The Fund did not recognize any unrelated business income tax for the year ended December 31, 2021 or 2020. The Fund recognizes the effect of income tax positions only if those tax positions are more likely than not of being sustained.

### **(f) Fixed Assets**

Fixed assets consist of website development costs, computer equipment, furniture, and leasehold improvements. Such fixed assets are recorded at cost, less accumulated depreciation and amortization. Website development costs, computer equipment, and furniture are depreciated and amortized on a straight-line basis over an estimated useful life of three to seven years. Leasehold improvements are depreciated on a straight-line basis over the life of the asset or lease term, whichever is shorter.

### **(g) Grant Awards**

A grant is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the obligation to transfer assets. Effective January 1, 2020, with the adoption of Accounting Standards Update (ASU) No. 2018-08, awards made that are conditional in nature are not recorded as expense until the conditions of the grant are satisfied.

### **(h) Cash and Cash Equivalents**

The Fund considers all liquid instruments purchased with original maturities of three months or less to be cash equivalents.

### **(i) Fair Value Measurements**

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. Fair value measurements are applied based on the unit of account from the reporting entity's perspective.

## EVERYTOWN FOR GUN SAFETY SUPPORT FUND

Notes to Financial Statements

December 31, 2021 and 2020

ASC Topic 820 establishes a three-level valuation hierarchy for the disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The highest priority is given to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to measurements involving significant unobservable inputs (Level 3 inputs). The three levels are defined as follows:

*Level 1* – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

*Level 2* – Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

*Level 3* – Unobservable inputs are used when little or no market data is available.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Fund had no assets or liabilities that required disclosure in the fair value hierarchy at December 31, 2021 or 2020.

### **(j) Functional Allocation of Expenses**

The Fund allocates expenses on a functional basis among its various program and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Expenses that benefit multiple functional areas are allocated based on proportional basis or time and effort.

### **(2) Concentration of Credit Risk**

Financial instruments that potentially subject the Fund to concentration of credit risk consist of cash and cash equivalents. The Fund places its cash and cash equivalents with high credit quality financial institutions; however, the cash and cash equivalent balances exceed federally insured limits at December 31, 2021 and 2020.

**EVERYTOWN FOR GUN SAFETY SUPPORT FUND**

Notes to Financial Statements

December 31, 2021 and 2020

**(3) Contributions Receivable, Net**

Contributions receivable, net consists of the following unconditional promises to give at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Amounts expected to be collected:		
Due within one year	\$ 1,525,000	2,125,000
Due between one and five years	<u>720,000</u>	<u>265,000</u>
	2,245,000	2,390,000
Less present value discount (rates ranging from 3.25% to 4.23%)	<u>(55,133)</u>	<u>(50,696)</u>
	<u>\$ 2,189,867</u>	<u>2,339,304</u>

At December 31, 2021 and 2020, unconditional promises to give from two donors comprised approximately 44% and 75% of the total receivable balance, respectively.

**(4) Fixed Assets**

A summary of fixed assets at December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Website development costs	\$ 1,716,282	1,363,516
Computer equipment	19,554	19,554
Furniture and other	74,386	74,386
Leasehold improvements	<u>136,445</u>	<u>136,445</u>
	1,946,667	1,593,901
Accumulated depreciation and amortization	<u>(578,127)</u>	<u>(149,036)</u>
	<u>\$ 1,368,540</u>	<u>1,444,865</u>

**EVERYTOWN FOR GUN SAFETY SUPPORT FUND**

Notes to Financial Statements

December 31, 2021 and 2020

**(5) Net Assets with Donor Restrictions**

Net assets with donor restrictions at December 31, 2021 and 2020 are available for specific purposes and/or are time restricted as follows:

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Moms demand action	\$ 134,405	8,026
Pittsburgh city gun violence data fellowship	—	25,000
Firearm restraining order implementation and awareness in Illinois	41,616	100,000
Support for evidence-based gun violence interventions in Memphis	25,000	25,000
Student leadership development	50,969	—
Gun violence prevention to the city of Nashville	82,500	—
Gun violence prevention to the Chicago area	1,500,000	—
Everytown community safety fund	408,269	—
Time restrictions	<u>1,439,867</u>	<u>2,339,304</u>
	<u>\$ 3,682,626</u>	<u>2,497,330</u>

**(6) Related-Party Transactions**

During the normal course of business, the Fund engages in transactions with an entity with which a member of its Board of Directors is affiliated. The Fund's Board of Directors has a policy to require directors and officers to disclose affiliations and to review and authorize such transactions, as appropriate. For the years ended December 31, 2021 and 2020, such transactions are included in contribution revenues and management and general expenses and amounted to approximately \$1,689,384 and \$1,659,674, respectively.

The Fund is party to a cost sharing agreement with Everytown for Gun Safety Action Fund. The purpose of the cost sharing agreement is to minimize duplicative expenses and to carry out the organizations' missions in an economical and efficient manner, which includes sharing the employees whose skills and knowledge will assist both organizations, consistent with each organization's tax-exempt purpose. At December 31, 2021 and 2020, such transactions due to the Everytown for Gun Safety Action Fund amount to \$790,188 and \$591,416, respectively.

## EVERYTOWN FOR GUN SAFETY SUPPORT FUND

Notes to Financial Statements

December 31, 2021 and 2020

### (7) Liquidity and Availability of Financial Assets

The following reflects the Fund's financial assets as of December 31, 2021 and 2020 reduced by amounts not available for general use within one year of the statement of financial position date. These financial assets available for general expenditure within one year of the statement of financial position date includes the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 20,096,344	23,993,298
Contributions receivable, due within one year	1,525,000	2,125,000
Other assets, due within one year	<u>83,655</u>	<u>47,377</u>
Total financial assets available within one year	<u>21,704,999</u>	<u>26,165,675</u>
Less those unavailable for general expenditure within one year, due to:		
Restricted by donor	<u>(2,242,759)</u>	<u>(158,026)</u>
Total amounts unavailable within one year	<u>(2,242,759)</u>	<u>(158,026)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 19,462,240</u>	<u>26,007,649</u>

### (8) Subsequent Events

The Fund evaluated events and transactions subsequent to the statement of financial position date of December 31, 2021 and through July 1, 2022, which is the date that the Fund's financial statements were available to be issued, for purposes of disclosure and recognition in the financial statements and concluded no further disclosures are required.