

CAUSE COLLECTIVE

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(with Independent Auditor's Report Thereon)

CAUSE COLLECTIVE

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Gary E. Riggs,
CPA

Riggs & Associates, CPAs, P.C.
Plaza Mall South, Suite 306
1919 South 40th Street
Lincoln, NE 68506-5248

Tel. 402-483-7885
Fax 402-483-7886

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Cause Collective
Lincoln, Nebraska

Opinion

We have audited the accompanying financial statement of Cause Collective (a non-profit organization), which comprise the statements of financial positions as of June 30, 2022 and 2021, 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 Cause Collective as of June 30, 2022 and 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cause Collective and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have 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 representation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Cause Collective'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cause Collective'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.

Riggs & Associates CPA's, P.C.

Lincoln, Nebraska
October 21, 2022

CAUSE COLLECTIVE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	ASSETS	
	2022	2021
Current assets		
Cash	\$ 88,626	\$ 89,258
Prepaid expenses	33,087	-
Grant/Other receivables	16,257	-
Total current assets	<u>137,970</u>	<u>89,258</u>
Property and equipment		
Equipment	5,202	5,202
Less accumulated depreciation	<u>(5,202)</u>	<u>(5,202)</u>
Net property and equipment	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 137,970</u>	<u>\$ 89,258</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 4,333	\$ 379
Payroll taxes payable	2,448	1,231
Accrued compensation	5,279	2,363
Deferred revenue (next year dues)	1,613	600
Total current liabilities	<u>13,673</u>	<u>4,573</u>
Net Assets		
Without donor restrictions	78,597	59,037
With donor restrictions	45,700	25,648
Total net assets	<u>124,297</u>	<u>84,685</u>
Total liabilities and net assets	<u>\$ 137,970</u>	<u>\$ 89,258</u>

See accompanying notes to financial statements.

CAUSE COLLECTIVE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Net Assets Released from Restrictions		
Membership dues	\$ 47,263	\$ 48,797
Contributions and grants	51,947	36,046
Contributions In-Kind	3,000	3,000
Workshops, seminars and miscellaneous	3,095	3,549
Net assets released from restrictions	<u>27,448</u>	<u>18,143</u>
 Total revenue and net assets released from restrictions	 <u>132,753</u>	 <u>109,535</u>
Expenses		
Program services	82,797	93,684
Supporting services:		
Management and general	22,268	18,661
Fundraising	<u>8,128</u>	<u>7,066</u>
 Total expenses	 <u>113,193</u>	 <u>119,411</u>
 CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	 <u>19,560</u>	 <u>(9,876)</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	47,500	22,000
Net assets released from restrictions	<u>(27,448)</u>	<u>(18,143)</u>
 CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	 <u>20,052</u>	 <u>3,857</u>
 CHANGE IN NET ASSETS	 39,612	 (6,019)
NET ASSETS, beginning of year	<u>84,685</u>	<u>90,704</u>
NET ASSETS, end of year	<u>\$ 124,297</u>	<u>\$ 84,685</u>

See accompanying notes to financial statements.

CAUSE COLLECTIVE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Supporting Services</u>			<u>Totals</u>
	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	
Salaries & wages	\$ 52,843	\$ 12,821	\$ 6,411	\$ 72,075
Payroll taxes	4,054	984	492	5,530
Employee benefits	2,346	670	335	3,351
Total salaries and related expenses	<u>59,243</u>	<u>14,475</u>	<u>7,238</u>	<u>80,956</u>
Training & conference costs	17,706	1,173	31	18,910
Insurance	1,315	364	182	1,861
Office supplies & expenses	116	1,193	132	1,441
Professional fees	600	3,968	-	4,568
Rent-In-Kind	2,100	600	300	3,000
Telephone	370	106	53	529
Technology	1,212	346	173	1,731
Miscellaneous expense	135	43	19	197
Total Expenses	<u><u>\$ 82,797</u></u>	<u><u>\$ 22,268</u></u>	<u><u>\$ 8,128</u></u>	<u><u>\$113,193</u></u>

See accompanying notes to financial statements.

CAUSE COLLECTIVE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Supporting Services</u>			<u>Totals</u>
	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- raising</u>	
Salaries & wages	\$ 38,916	\$ 11,119	\$ 5,559	\$ 55,594
Payroll taxes	2,960	846	423	4,229
Employee benefits	2,077	593	297	2,967
Total salaries and related expenses	43,953	12,558	6,279	62,790
Training & conference costs	44,222	-	-	44,222
Insurance	1,217	348	174	1,739
Office supplies & expenses	770	763	110	1,643
Professional fees	-	3,979	-	3,979
Rent-In-Kind	2,100	600	300	3,000
Telephone	370	106	53	529
Technology	1,052	300	150	1,502
Miscellaneous expense	-	7	-	7
 Total Expenses	 <u>\$ 93,684</u>	 <u>\$ 18,661</u>	 <u>\$ 7,066</u>	 <u>\$119,411</u>

See accompanying notes to financial statements.

CAUSE COLLECTIVE
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 39,612	\$ (6,019)
(Increase) decrease in operating assets:		
Prepaid expenses	(33,087)	30,375
Grant/Other receivables	(16,257)	42
Increase (decrease) in operating liabilities:		
Accounts payable	3,954	379
Payroll taxes payable	1,217	55
Accrued compensation	2,916	319
Deferred revenue (next year dues)	1,013	(475)
	(632)	24,676
Net cash provided by (used in) operating activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt repayment	-	(4,500)
Net cash provided by (used in) financing activities	-	(4,500)
Net increase (decrease) in cash	(632)	20,176
CASH BEGINNING OF YEAR	89,258	69,082
CASH END OF YEAR	\$ 88,626	\$ 89,258

See accompanying notes to financial statements.

CAUSE COLLECTIVE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Cause Collective is presented to assist in understanding Cause Collective financial statements. The financial statements and notes are representations of the Cause Collective's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Activities

Cause Collective has its office located in Lincoln, Nebraska. Cause Collective is a local nonprofit organization formed to facilitate collaborations and partnerships throughout the nonprofit community in Lincoln. Cause Collective works to continually inform, involve, strengthen, and increase the capacity, awareness, and effectiveness of nonprofits and the nonprofit sector.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred.

Revenue Recognition. The following is a description of the Organization's principal sources of revenue.

Contributions and grants.

Contributions and grants are recognized when a donor makes a promise to give that is, in substance, unconditional. 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. The Organization has not received any conditional contributions.

Membership dues.

Membership dues are recognized over time as the Organization satisfies its performance obligations by transferring benefits or services to users. Dues are charged on an annual basis and cover the fiscal year. Any dues paid in advance are accounted for as deferred revenue.

Workshops and seminars.

Fees charged for workshops and seminars are recognized at a point in time when the event occurs.

CAUSE COLLECTIVE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Cause Collective reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Cause Collective has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

In-Kind Donations

The Organization's policy is to recognize contributed professional services if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets and materials are recognized at fair market value when received. Cause Collective receives the use of office space from Region V under a one year renewable lease. The office is used for all the operations of Cause Collective. The financial statements include in-kind contribution of \$3,000 and \$3,000 included in rent expense for the years ended June 30, 2022 and 2021, respectively.

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 report period. Cause Collective regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

CAUSE COLLECTIVE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost, or if donated, at approximate fair value at the date of donation. Cause Collective capitalizes property and equipment if its value is greater than \$500 and its useful life is more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Office equipment	5 to 7 years
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Functional Allocation of 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 expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

Cause Collective is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income tax. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements. Cause Collectives' tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

NOTE 2. LONG TERM DEBT

In November 2016, Cause Collective borrowed \$15,000 from the Community Development Resources. The proceeds were used to pay off the existing note payable to Pinnacle Bank. Cause Collective repaid the entire unpaid balance of \$4,500 during the fiscal year ended June 30, 2021.

CAUSE COLLECTIVE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with Donor Restrictions are available for the following purposes as of June 30, 2022 and 2021:

	2022	2021
Time restricted funds for next fiscal year	\$ 13,925	\$ 20,000
Restricted for purpose of providing services in future years.	<u>31,775</u>	<u>5,648</u>
	<u>\$ 45,700</u>	<u>\$ 25,648</u>

NOTE 4. IN-KIND CONTRIBUTIONS

Pursuant to an agreement with Region V Systems, Region V is providing office space in its building for use by Cause Collective. Region V also provides technology support, equipment usage, phone services, and general office support services for a monthly fee. This agreement was for the period July 1, 2016 to June 30, 2017 but is automatically renewed every year. It was determined that the value of this office space is \$3,000 per year.

NOTE 5. AVAILABILITY OF FINANCIAL ASSETS

The following reflects Cause Collective's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

	<u>6-30-2022</u>	<u>6-30-2021</u>
Financial assets at year end	\$104,883	\$89,258
Less those unavailable for general expenditures within one year, due to:		
Other current liabilities	<u>(12,060)</u>	<u>(4,573)</u>
Financial assets available to meet cash needs for general expenditures within one year.	<u>\$ 92,823</u>	<u>\$84,685</u>

NOTE 6. SUBSEQUENT EVENTS

Cause Collective has evaluated subsequent events for potential recognition and/or disclosure through October 21, 2022, the date the financial statements were available to be issued.