

# **Vote** **America**

**VOTEAMERICA**

**FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

# VOTEAMERICA

## TABLE OF CONTENTS

---

|   |     |
|---|-----|
| <b>Independent Auditors' Report</b> ..... | 1-2 |
|---|-----|

### **Financial Statements**

|                                       |   |
|---------------------------------------|---|
| Statement of Financial Position ..... | 3 |
| Statement of Activities.....          | 4 |
| Statement of Functional Expenses..... | 5 |
| Statement of Cash Flows .....         | 6 |

|  |      |
|--|------|
| <b>Notes to Financial Statements</b> ..... | 7-11 |
|--|------|

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**VoteAmerica**

### **Report on Financial Statements**

We have audited the accompanying financial statements of VoteAmerica, Inc. (VoteAmerica), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the six months ended December 31, 2020, 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 control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' judgment, including the assessment of the risks of material misstatement 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 VoteAmerica as of December 31, 2020, and the changes in its net assets and its cash flows for six months ended December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

*Marcum LLP*

Washington, DC  
October 28, 2022

# VOTEAMERICA

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

---

|   |                     |
|---|---------------------|
| <b>Assets</b>                           |                     |
| Cash                                    | \$ 979,203          |
| Pledges receivable                      | <u>504,800</u>      |
| <b>Total Assets</b>                     | <u>\$ 1,484,003</u> |
| <b>Liabilities and Net Assets</b>       |                     |
| <b>Liabilities</b>                      |                     |
| Accounts payable and accrued expenses   | <u>\$ 957,473</u>   |
| <b>Total Liabilities</b>                | <u>957,473</u>      |
| <b>Net Assets</b>                       |                     |
| Without donor restrictions              | 526,530             |
| With donor restrictions                 | <u>--</u>           |
| <b>Total Net Assets</b>                 | <u>526,530</u>      |
| <b>Total Liabilities and Net Assets</b> | <u>\$ 1,484,003</u> |

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

# VOTEAMERICA

## STATEMENT OF ACTIVITIES

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

---

|  | Without<br>Donor<br>Restrictions |
|--|----------------------------------|
| <b>Revenue and Support</b>               |                                  |
| Contributions                            | \$ 9,224,473                     |
| Initial contribution from fiscal sponsor | 1,000,000                        |
| In-kind contributions                    | 470,114                          |
| Service Revenue                          | 71,300                           |
| Other Income                             | 197                              |
|  | <hr/>                            |
| <b>Total Revenue and Support</b>         | <u>10,766,084</u>                |
| <b>Expenses</b>                          |                                  |
| Get out the vote                         | 5,990,785                        |
| Campaigns                                | 2,329,356                        |
| Civic technology                         | 1,026,300                        |
| Vote registration                        | 196,193                          |
| Partnerships                             | 10,950                           |
|  | <hr/>                            |
| <b>Total Program Services</b>            | 9,553,584                        |
| Fundraising                              | 421,007                          |
| Management and general                   | 264,963                          |
|  | <hr/>                            |
| <b>Total Supporting Services</b>         | <u>685,970</u>                   |
| <b>Total Expenses</b>                    | <u>10,239,554</u>                |
| <b>Change in Net Assets</b>              | 526,530                          |
| <b>Net Assets, Beginning of Year</b>     | <hr/> --                         |
| <b>Net Assets, End of Year</b>           | <u><u>\$ 526,530</u></u>         |

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

**VOTEAMERICA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

|                            | Program Services           |                            |                            |                          |                         | Supporting Services        |                          |                           |                             |
|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|-------------------------|----------------------------|--------------------------|---------------------------|-----------------------------|
|                            | Get Out<br>the Vote        | Campaigns                  | Civic<br>Technology        | Voter<br>Registration    | Partnerships            | Total<br>Program           | Fundraising              | Management<br>and General | Total                       |
| Voter outreach advertising | \$ 4,866,851               | \$ 2,126,629               | \$ 448,086                 | \$ 180,871               | \$ 4,523                | \$ 7,626,960               | \$ 128,155               | \$ 100                    | \$ 7,755,215                |
| Personnel costs            | 339,559                    | 132,014                    | 359,007                    | 11,104                   | 1,376                   | 843,060                    | 76,699                   | 215,694                   | 1,135,453                   |
| Telecommunications         | 626,785                    | --                         | --                         | --                       | --                      | 626,785                    | --                       | 4,907                     | 631,692                     |
| Professional services      | 80,651                     | 48,101                     | 105,228                    | 2,314                    | 123                     | 236,417                    | 192,455                  | 14,438                    | 443,310                     |
| Subscriptions and dues     | 36,456                     | 13,990                     | 109,388                    | 1,178                    | 1,092                   | 162,104                    | 12,248                   | 14,494                    | 188,846                     |
| Other expenses             | 36,491                     | 8,286                      | 4,432                      | 698                      | 950                     | 50,857                     | 11,450                   | 13,174                    | 75,481                      |
| Travel and meetings        | 3,992                      | 336                        | 159                        | 28                       | 2,886                   | 7,401                      | --                       | 2,156                     | 9,557                       |
| <b>Total Expenses</b>      | <b><u>\$ 5,990,785</u></b> | <b><u>\$ 2,329,356</u></b> | <b><u>\$ 1,026,300</u></b> | <b><u>\$ 196,193</u></b> | <b><u>\$ 10,950</u></b> | <b><u>\$ 9,553,584</u></b> | <b><u>\$ 421,007</u></b> | <b><u>\$ 264,963</u></b>  | <b><u>\$ 10,239,554</u></b> |

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

# VOTEAMERICA

## STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

---

|   |                          |
|---|--------------------------|
| <b>Cash Flows From Operating Activities</b>   |                          |
| Change in net assets  | \$ 526,530               |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                          |
| Pledges receivable  | (504,800)                |
| Accounts payable  | 957,473                  |
|   | <hr/>                    |
| <b>Net Cash Provided by Operating Activities</b>  | <u>979,203</u>           |
| <b>Net Increase in Cash</b>   | 979,203                  |
| <b>Cash, Beginning of Period</b>  | <hr/> --                 |
| <b>Cash, End of Period</b>  | <u><u>\$ 979,203</u></u> |

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

# VOTEAMERICA

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

---

### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***ORGANIZATION***

VoteAmerica, Inc. (VoteAmerica) was incorporated as a 501(c)(3) organization in November 2019. VoteAmerica did not have an EIN or tax exempt letter until May 15, 2020 and operated under a fiscal sponsorship agreement with Democracy Builder's Fund (DBF). Effective July 1, 2020, VoteAmerica separated from DBF and began operations as a standalone entity. The mission of Vote America is to strengthen United States democracy by increasing voter turnout.

#### ***BASIS OF ACCOUNTING***

The financial statements of VoteAmerica have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### ***PLEDGES RECEIVABLE***

VoteAmerica uses the allowance method to record potentially uncollectible pledges receivable. Management determines the allowance for doubtful accounts by identifying troubled accounts. Pledges receivable are written off when deemed uncollectible. As of December 31, 2020, all pledges and contributions receivable were deemed by management to be fully collectible and scheduled to be collected within one year.

#### ***CLASSIFICATION OF NET ASSETS***

Net assets without donor restrictions represent the portion of expendable funds that are available for support of VoteAmerica's operations. Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or future periods. It also represents endowment funds that are required by the donor to be held in perpetuity and from which only the investment earnings can be expended by the VoteAmerica. As of December 31, 2020, VoteAmerica had no net assets with donor restrictions.

#### ***REVENUE RECOGNITION***

Unconditional contributions revenue is recognized in the period in which the commitment is made. Contributions revenue is considered to be revenue and support without donor restrictions and available for general operations unless specifically restricted by the donor. VoteAmerica reports contributions revenue as revenue and support with donor restrictions if the contributions received have donor stipulations that limit the use of the donated funds. 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 statement of activities as net assets

# VOTEAMERICA

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

---

### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *REVENUE RECOGNITION (CONTINUED)*

released from restrictions. 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. VoteAmerica had no conditional promises as of December 31, 2020.

In connection with the separation from DBF, VoteAmerica received a \$1 million contribution, representing the funding contributed to DBF on VoteAmerica's behalf prior to the separation. The amounts were wired to VoteAmerica in July 2020.

#### *IN-KIND CONTRIBUTIONS*

VoteAmerica records supporting services for certain services provided by a donor, received at the fair value of those services which are valued at actual costs incurred by the donor, if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchases if not contributed. Contributed services are recognized both as revenue and support and expenses at estimated fair value at the date of receipt. For the six months ended December 31, 2020 VoteAmerica recognized \$470,114 in contributed salary expenses which are included in in-kind contributions and salary expense in the attached statement of activities and statement of functional expenses, respectively.

#### *ADVERTISING*

Costs for advertising are expensed in the period in which they are incurred.

#### *FUNCTIONAL ALLOCATION OF EXPENSES*

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Expenses directly attributed to a specific functional area of Vote America are reported as expenses of that functional area while shared costs that benefit multiple functional areas have been allocated among the various areas. Salary and benefit costs are allocated based on time estimates. Other shared costs, including advertising, professional fees and office supplies are allocated based on percentage of direct expenses.

#### *USE OF ESTIMATES*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# VOTEAMERICA

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

---

### NOTE 2 – PROGRAM DESCRIPTIONS

Get Out The Vote – The goal of the program is to encourage and enfranchise voters to participate in the electoral process and cast a ballot in every election in which they are eligible to do so. VoteAmerica primarily accomplishes this through direct mailing, text message campaigns and advertisement.

Voter Registration – The program is tied to directly assisting and encouraging eligible voters to register or re-register to vote.

Civic Technology – VoteAmerica has developed a series of voter engagement tools and tech stack to exponentially increase the effective, reach and impact of VoteAmerica’s pursuit of its message.

Campaigns – VoteAmerica targets specific communities of eligible voters most impacted by voter suppression efforts, lack of trustworthy information and lack of investment by partisan groups in turnout efforts.

Partnerships – VoteAmerica deepens community relationship by collaborating with corporations and grassroots movements to expand the impact of VoteAmerica’s mission.

### NOTE 3 - COMMITMENTS AND RISKS

#### *CONCENTRATION OF CREDIT RISK*

Financial instruments which potentially subject VoteAmerica to concentration of credit risk consist principally of cash balances maintained at a creditworthy financial institution. While the amount at a given bank at times exceeds the amount insured by the Federal Deposit Insurance Corporation (FDIC) and, therefore, bears some risk, VoteAmerica has not experienced, nor does it anticipate, any losses on its funds. At December 31, 2020, amounts in excess of the FDIC insured limit of \$250,000 totaled approximately \$761,000.

#### *COVID-19*

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. VoteAmerica has been able to continue most of its operations in a remote environment, however, at this point, the extent to which COVID-19 may impact VoteAmerica’s financial condition or results of operations is uncertain. These financial statements do not include any adjustments made in connection with any impact made by COVID-19.

# VOTEAMERICA

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

---

### NOTE 4 - AVAILABILITY AND LIQUIDITY

VoteAmerica's cash flows have variations throughout the year due to the cyclical nature of its contributions. VoteAmerica has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The following reflects VoteAmerica's financial assets as of December 31, 2020, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

|  |                            |
|--|----------------------------|
| Financial assets at year-end:  |                            |
| Cash   | \$ 979,203                 |
| Pledges receivable   | <u>504,800</u>             |
| <b>Financial Assets Available to Meet General Expenditures Over the Next 12 Months</b> | <b><u>\$ 1,484,003</u></b> |

### NOTE 5 - INCOME TAXES

VoteAmerica qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the IRC) and is classified as a publicly supported organization under IRC Section 509(a)(1). As such, VoteAmerica is taxed only on its net unrelated business income. No provision for income taxes has been made in the accompanying financial statements for the period from inception through December 31, 2020, as VoteAmerica had no unrelated business income.

VoteAmerica evaluated its uncertainty in income taxes for the period from inception (July 1, 2020) through December 31, 2020, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2020, the statute of limitations remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which VoteAmerica files tax returns; however, there are currently no audits for any tax periods pending or in progress. It is VoteAmerica's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax expense. As of December 31, 2020, VoteAmerica had no accruals for interest and/or penalties.

### NOTE 6 - SUBSEQUENT EVENTS

VoteAmerica's management has evaluated subsequent events through October 28, 2022, the date the financial statements were available to be issued. Except as noted below, there were no subsequent events identified that require recognition or disclosure in these financial statements.

# VOTEAMERICA

## NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

---

### NOTE 6 - SUBSEQUENT EVENTS (CONTINUED)

On February 2, 2021 VoteAmerica entered into a Small Business Administration loan with its financial institution under the Paycheck Protection Program (PPP) for the amount of \$312,107. The loan would have matured five years after the initial disbursement date, with a fixed interest rate of 1% per annum. Equal monthly payments and interest payments would commence ten months after the end of the forgiveness period. The loan amount was eligible for forgiveness pursuant to the PPP, which established minimum amounts of the loan to be used to cover payroll costs and the remainder could be used for mortgage interest, rent and utility costs over a specified period from time after the loan is made and the number of employees and compensation levels are maintained. In October 2021, VoteAmerica received approval for forgiveness on the full balance of the loan's principal.