

Vote **America**

VOTEAMERICA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

VOTEAMERICA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
VoteAmerica

Opinion

We have audited the financial statements of VoteAmerica, Inc., which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 VoteAmerica, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year 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 (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 VoteAmerica, Inc. 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 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 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 VoteAmerica, Inc.'s ability to continue as a going concern within 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 VoteAmerica, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about VoteAmerica, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Marcum LLP

Washington, DC
June 28, 2023

VOTEAMERICA, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

Assets	
Cash	\$ <u>577,010</u>
Total Assets	<u>\$ 577,010</u>
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	\$ <u>25,572</u>
Total Liabilities	<u>25,572</u>
Net Assets	
Without donor restrictions	551,438
With donor restrictions	<u> --</u>
Total Net Assets	<u>551,438</u>
Total Liabilities and Net Assets	<u>\$ 577,010</u>

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

VOTEAMERICA, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions
Revenue and Support	
Contributions	\$ 1,502,035
PPP loan forgiveness	312,107
Program service fees	10,208
Other income	14
Total Revenue and Support	<u>1,824,364</u>
Expenses	
Get out the vote	904,829
Partnerships	285,740
Civic technology	257,322
Total Program Services	1,447,891
Fundraising	236,383
Management and general	115,182
Total Supporting Services	<u>351,565</u>
Total Expenses	<u>1,799,456</u>
Change in Net Assets	24,908
Net Assets, Beginning of Year	<u>526,530</u>
Net Assets, End of Year	<u>\$ 551,438</u>

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

VOTEAMERICA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			Supporting Services			Total
	Get Out the Vote	Partnerships	Civic Technology	Total Program Services	Fundraising	Management and General	
Personnel costs	\$ 530,520	\$ 281,282	\$ 101,279	\$ 913,081	\$ 156,997	\$ 66,258	\$ 1,136,336
Voter outreach advertising	128,827	--	149,259	278,086	1,564	--	279,650
Professional services	224,450	91	--	224,541	50,419	23,064	298,024
Subscriptions and dues	6,578	4,367	6,784	17,729	14,859	14,465	47,053
Other expenses	14,454	--	--	14,454	12,544	11,395	38,393
Total Expenses	<u>\$ 904,829</u>	<u>\$ 285,740</u>	<u>\$ 257,322</u>	<u>\$ 1,447,891</u>	<u>\$ 236,383</u>	<u>\$ 115,182</u>	<u>\$ 1,799,456</u>

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

VOTEAMERICA, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows From Operating Activities	
Change in net assets	\$ 24,908
Forgiveness of PPP loan	(312,107)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Pledges receivable	504,800
Accounts payable	<u>(931,901)</u>
Net Cash Used In Operating Activities	<u>(714,300)</u>
Cash Flows From Financing Activities	
Proceeds from PPP loan	<u>312,107</u>
Net Cash Provided by Financing Activities	<u>312,107</u>
Net Decrease in Cash	(402,193)
Cash, Beginning of Period	<u>979,203</u>
Cash, End of Period	<u><u>\$ 577,010</u></u>

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

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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).

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. As of December 31, 2021, 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 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, 2021.

Service revenue consists of the sale of VoteAmerica's software toolkit to for-profit entities. The revenue is recognized at the point in time when the toolkit is delivered to the contracting party.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

ADVERTISING

Costs for advertising are expensed in the period in which they are incurred. During the year ended December 31, 2021 VoteAmerica incurred \$13,789 in advertising expenses.

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.

NOTE 2 - PROGRAM DESCRIPTIONS

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

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.

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.

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

VOTEAMERICA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - COMMITMENTS AND RISKS (CONTINUED)

CONCENTRATION OF CREDIT RISK (CONTINUED)

Insurance Corporation (FDIC) and, therefore, bears some risk, VoteAmerica has not experienced, nor does it anticipate, any losses on its funds. At December 31, 2021, amounts in excess of the FDIC insured limit of \$250,000 totaled approximately \$295,000.

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, 2021, 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	<u>\$ 577,010</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 577,010</u>

NOTE 5 – PPP LOAN

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. The amount was recognized in full during the year ended December 31, 2021 and is included in the accompanying statement of activities as forgiveness of PPP loan.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 - 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 year ended December 31, 2021, as VoteAmerica had no unrelated business income.

VoteAmerica evaluated its uncertainty in income taxes for the year ended December 31, 2021, 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, 2021, 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, 2021, VoteAmerica had no accruals for interest and/or penalties.

NOTE 7 - SUBSEQUENT EVENTS

VoteAmerica's management has evaluated subsequent events through June 28, 2023, 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.

On January 11, 2023 VoteAmerica LLC (LLC) was incorporated as a single member LLC, with VoteAmerica as its sole member, and is disregarded to tax purposes. The LLC was formed to distribute VoteAmerica's technology platform.