



VOTEAMERICA, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2023

(With Summarized Comparative Information for the Year Ended December 31, 2022)

VOTEAMERICA, INC. AND SUBSIDIARY

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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
VoteAmerica, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of VoteAmerica, Inc. and Subsidiary (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization'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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HAN GROUP LLC

HAN GROUP LLC
Washington, DC
October 9, 2024

VOTEAMERICA, INC. AND SUBSIDIARY
Consolidated Statement of Financial Position
December 31, 2023
(With Summarized Comparative Information for 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 534,716	\$ 1,012,612
Contributions receivable	50,000	-
Prepaid expenses	17,364	-
Total assets	<u>\$ 602,080</u>	<u>\$ 1,012,612</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 15,273	\$ 22,276
Accrued vacation	25,737	33,754
Total liabilities	<u>41,010</u>	<u>56,030</u>
Net Assets		
Without donor restrictions	<u>561,070</u>	<u>956,582</u>
Total net assets	<u>561,070</u>	<u>956,582</u>
Total liabilities and net assets	<u>\$ 602,080</u>	<u>\$ 1,012,612</u>

VOTEAMERICA, INC. AND SUBSIDIARY

Consolidated Statement of Activities

Year Ended December 31, 2023

(With Summarized Comparative Information for 2022)

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Contributions	\$ 850,663	\$ 450,000	\$ 1,300,663	\$ 3,556,904
Program service fees	79,875	-	79,875	169,746
Payroll tax refunds	-	-	-	55,820
Interest and other income	5,158	-	5,158	5,126
Net assets released from restrictions:				
Satisfaction of purpose restrictions	450,000	(450,000)	-	-
Total revenue and support	1,385,696	-	1,385,696	3,787,596
Expenses				
Program services:				
Get Out The Vote	688,154	-	688,154	1,821,518
Civic Technology	510,679	-	510,679	628,303
Partnerships	188,838	-	188,838	337,559
Fellowships	17,311	-	17,311	-
Total program services	1,404,982	-	1,404,982	2,787,380
Supporting services:				
Management and general	211,751	-	211,751	308,026
Fundraising	164,475	-	164,475	287,046
Total supporting services	376,226	-	376,226	595,072
Total expenses	1,781,208	-	1,781,208	3,382,452
Change in Net Assets	(395,512)	-	(395,512)	405,144
Net Assets , beginning of year	956,582	-	956,582	551,438
Net Assets , end of year	\$ 561,070	\$ -	\$ 561,070	\$ 956,582

See accompanying notes.

VOTEAMERICA, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

(With Summarized Comparative Information for 2022)

	2023				
	Program Services				Total
	Get Out The Vote	Civic Technology	Partnerships	Fellowships	Program Services
Salaries and related expenses	\$ 264,627	\$ 325,089	\$ 138,987	\$ -	\$ 728,703
Voter Outreach and advertising	384,543	119,391	-	-	503,934
Professional fees	24,952	59,928	47,000	17,311	149,191
Dues and subscriptions	358	4,423	2,501	-	7,282
Other expenses	-	-	-	-	-
Travel and meetings	3,698	1,848	-	-	5,546
Staff development	9,081	-	350	-	9,431
Bank and credit card fees	-	-	-	-	-
Office expenses	895	-	-	-	895
Total Expenses	\$ 688,154	\$ 510,679	\$ 188,838	\$ 17,311	\$ 1,404,982

See accompanying notes.

VOTEAMERICA, INC. AND SUBSIDIARY

Consolidated Statement of Functional Expenses (continued)

Year Ended December 31, 2023

(With Summarized Comparative Information for 2022)

	2023			2022	
	Supporting Services				
	Management and General	Fundraising	Total Supporting Services	2023 Total	2022 Total
Salaries and related expenses	\$ 99,380	\$ 97,006	\$ 196,386	\$ 925,089	\$ 1,354,860
Voter Outreach and advertising	69	-	69	504,003	1,633,942
Professional fees	65,882	29,131	95,013	244,204	217,925
Dues and subscriptions	11,214	12,799	24,013	31,295	50,930
Other expenses	9,131	19,934	29,065	29,065	24,355
Travel and meetings	13,796	5,603	19,399	24,945	39,872
Staff development	4,874	-	4,874	14,305	37,614
Bank and credit card fees	6,553	2	6,555	6,555	12,021
Office expenses	852	-	852	1,747	10,933
Total Expenses	\$ 211,751	\$ 164,475	\$ 376,226	\$ 1,781,208	\$ 3,382,452

See accompanying notes.

VOTEAMERICA, INC. AND SUBSIDIARY
Consolidated Statement of Cash Flows
Year Ended December 31, 2023
(With Summarized Comparative Information for 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (395,512)	\$ 405,144
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in operating assets and liabilities:		
Contributions receivable	(50,000)	-
Prepaid expenses	(17,364)	-
Accounts payable and accrued expenses	(7,003)	(3,296)
Accrued vacation	(8,017)	33,754
	<u>(477,896)</u>	<u>435,602</u>
Net cash provided by (used in) operating activities	(477,896)	435,602
Net Increase (Decrease) in Cash and Cash Equivalents	(477,896)	435,602
Cash and Cash Equivalents , beginning of year	<u>1,012,612</u>	<u>577,010</u>
Cash and Cash Equivalents , end of year	<u>\$ 534,716</u>	<u>\$ 1,012,612</u>

VOTEAMERICA, INC. AND SUBSIDIARY

Consolidated Statement of Cash Flows

Year Ended December 31, 2023

(With Summarized Comparative Information for 2022)

1. Nature of Operations

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 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 VoteAmerica is to strengthen United States democracy by increasing voter turnout.

VoteAmerica is the sole member of a limited liability company, VoteAmerica LLC. VoteAmerica was formed in the state of Delaware as a limited liability company in April 2021. VoteAmerica LLC was formed to distribute VoteAmerica's technology platform. VoteAmerica LLC functions exclusively to serve the programmatic goals of VoteAmerica.

Program Descriptions

Partnerships – The Partnerships program aims to deepen community relationship by collaborating with corporations and grassroots movements to expand the impact of Organization'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 Get Out The Vote 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.

Fellowship – The VoteAmerica Democracy Fellowship is dedicated to cultivating and incubating the best and brightest academic minds in the democracy space and equipping them with existing activism expertise by the VoteAmerica team - so that together, VoteAmerica and the Fellows can act on their research-backed solutions. VoteAmerica's Fellows, who study these issues intimately as academic scholars, will work closely with VoteAmerica's team to create roadmaps for VoteAmerica to execute upon.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of VoteAmerica and VoteAmerica LLC (collectively, the Organization) due to ownership. All significant intercompany balances and transactions between VoteAmerica and VoteAmerica LLC have been eliminated during consolidation.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recorded when the obligation is incurred.

Cash and Cash Equivalents

For purposes of the consolidated financial statements, the Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase.

Contributions Receivable

Contributions receivable represent amounts due from donors. There was no allowance for doubtful accounts recorded at December 31, 2023 as the entire balance has been deemed by management to be fully collectable within one year.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations and also represents the member's equity in the subsidiary.
- *Net Assets With Donor Restrictions* represent funds that are subject to donor-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. As of December 31, 2023, there were no net assets with donor restrictions, and the Organization did not have any donor-imposed restrictions which are perpetual in nature at December 31, 2023.

Revenue Recognition

Contributions

Unconditional contributions are recognized upon notification of the award and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Contributions with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met in compliance with the donor-imposed purpose or time restrictions. These reclassifications are reported on the accompanying statement of activities as net assets released from restrictions.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are recognized in revenue once the conditions on which they depend have been met. The Organization adopted the simultaneous release option for donor-restricted conditional contributions that are recognized and used within the same reporting period, therefore, these amounts are reported as without donor restrictions. Amounts recognized in revenue that have not been received are included in contributions receivables. Conversely, amounts received in advance of the conditions being met are recorded in refundable advances. The Organization had unrecognized conditional awards totaling \$150,000 at December 31, 2023.

Program Service Fees

Program service fees consist of the sale of voting software tools as a service. The revenue is recognized at the point in time when the access is delivered to the contracting party.

Voter Outreach Advertising

The costs of advertising are expensed as incurred. The Organization incurred \$291,592 in advertising expenses during the year ended December 31, 2023.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying consolidated statement of activities. The consolidated statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts reported on the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

VOTEAMERICA, INC. AND SUBSIDIARY
Consolidated Statement of Cash Flows
Year Ended December 31, 2023
(With Summarized Comparative Information for 2022)

2. Summary of Significant Accounting Policies (continued)

Summarized Comparative Information

The accompanying consolidated financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2022, from which the summarized information was derived.

3. Concentrations

The Organization maintains demand deposits with a financial institution that may, from time to time, exceed insurable limits. The Organization routinely assesses the financial condition of the institution and believes the risk of any loss is minimal.

The Organization received 58% of its revenue and support from five donors during the year ended December 31, 2023. 100% of the contributions receivable is due from one source.

4. Liquidity and Availability of Resources

The following schedule reflects the Organization's consolidated financial assets as of December 31, 2023, reduced by amounts not available for general use within one year. All financial assets listed below are considered to be convertible to cash within one year.

Consolidated financial assets:	
Cash and cash equivalents	\$ 534,716
Contributions receivable	<u>50,000</u>
Consolidated financial assets available to meet cash needs for general expenditures within one year	
	<u>\$ 584,716</u>

The Organization's cash flows have variations throughout the year due to the cyclical nature of its contributions. The Organization has a policy to structure its financial assets to become available as general expenditures, liabilities and other obligations become due.

5. Net Assets with Donor Restrictions

During the year ended December 31, 2023, releases from net assets with donor restrictions were for the following:

Satisfaction of purpose restrictions:	
Campus Mobility Program	\$ 325,000
Future Democracy Program	100,000
Podcast	<u>25,000</u>
Total net assets released from donor restrictions	<u>\$ 450,000</u>

6. Commitments and Contingencies

According to the rules of the Small Business Administration (SBA), the Organization is required to retain documentation for six years after the date the Paycheck Protection Program loans are forgiven and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Organization's judgements pertaining to satisfying conditions of the loans, the Organization may be required to adjust previously reported amounts and disclosures in the consolidated financial statements.

7. Income Taxes

Under Section 501(c)(3) of the Code, Vote America, Inc. is a nonprofit and is exempt from federal taxes on income other than net unrelated business income. Vote America LLC is a disregarded limited liability company which is included in the tax filings of Vote America, Inc. No provisions for federal or state income taxes is required for the year ended December 31, 2023, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification Topic 740-10, Income Taxes. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is The Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2023 and determined that there were no matters that would require recognition on the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

8. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 9, 2024, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the consolidated financial statement.