

FINANCIAL STATEMENTS

CENTER *for* VOTER INFORMATION

**FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021**

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center for Voter Information
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the Center for Voter Information (CVI), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 CVI as of December 31, 2022, and the change 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. 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 CVI 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 CVI'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.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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, including omissions, 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 CVI'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 CVI'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 CVI's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



August 2, 2023

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STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

ASSETS		<u>2022</u>	<u>2021</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	5,132,765	\$ 3,586,934
Investments		-	2,444
Accounts receivable		198,470	3,955
Prepaid expenses		<u>23,616</u>	<u>10,878</u>
TOTAL ASSETS	\$	<u>5,354,851</u>	\$ <u>3,604,211</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	169,980	\$ 129,773
Income taxes payable		24,571	883
Due to related entity		<u>2,564,427</u>	<u>1,660,821</u>
Total liabilities		<u>2,758,978</u>	<u>1,791,477</u>
NET ASSETS			
Without donor restrictions		2,595,873	1,712,734
With donor restrictions		<u>-</u>	<u>100,000</u>
Total net assets		<u>2,595,873</u>	<u>1,812,734</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>5,354,851</u>	\$ <u>3,604,211</u>

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**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE				
Contributions	\$ 16,691,029	\$ -	\$ 16,691,029	\$ 3,113,522
Foundation grants	2,513,745	-	2,513,745	50,000
Investment income, net	433	-	433	2
Net assets released from donor restrictions	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>19,305,207</u>	<u>(100,000)</u>	<u>19,205,207</u>	<u>3,163,524</u>
EXPENSES				
Program Services	<u>17,776,860</u>	<u>-</u>	<u>17,776,860</u>	<u>3,566,848</u>
Supporting Services:				
Management and General	434,956	-	434,956	497,547
Fundraising	<u>249,922</u>	<u>-</u>	<u>249,922</u>	<u>144,842</u>
Total supporting services	<u>684,878</u>	<u>-</u>	<u>684,878</u>	<u>642,389</u>
Total expenses	<u>18,461,738</u>	<u>-</u>	<u>18,461,738</u>	<u>4,209,237</u>
Change in net assets before other item	843,469	(100,000)	743,469	(1,045,713)
OTHER ITEM				
Income taxes refund (expense)	<u>39,670</u>	<u>-</u>	<u>39,670</u>	<u>(278,211)</u>
Change in net assets	883,139	(100,000)	783,139	(1,323,924)
Net assets at beginning of year	<u>1,712,734</u>	<u>100,000</u>	<u>1,812,734</u>	<u>3,136,658</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,595,873</u>	<u>\$ -</u>	<u>\$ 2,595,873</u>	<u>\$ 1,812,734</u>

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STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022			2021		
	Supporting Services			Total Expenses	Total Expenses	
	Program Services	Management and General	Fundraising			Total Supporting Services
Salaries and benefits	\$ 902,566	\$ 266,956	\$ 101,698	\$ 368,654	\$ 1,271,220	\$ 854,258
Payroll taxes	60,940	18,024	6,866	24,890	85,830	58,526
Program fees	14,106,018	-	-	-	14,106,018	2,597,102
Grants	1,328,750	-	-	-	1,328,750	-
Professional fees	479,912	53,675	114,875	168,550	648,462	386,846
Office supplies and expenses	608,002	22,305	11,233	33,538	641,540	18,913
Occupancy	119,815	35,437	13,500	48,937	168,752	58,989
Dues and subscriptions	55,123	25,090	550	25,640	80,763	23,747
Bank and processing fees	53,519	-	-	-	53,519	10,127
Lists	50,318	-	-	-	50,318	79,629
Website	-	12,287	-	12,287	12,287	9,675
Insurance	9,097	-	-	-	9,097	3,417
Travel, conferences and meetings	2,800	-	-	-	2,800	49
Other	-	-	1,200	1,200	1,200	26,284
Printing and copying	-	1,182	-	1,182	1,182	536
Late payment assessment	-	-	-	-	-	80,057
Advertising	-	-	-	-	-	1,082
Subtotal	17,776,860	434,956	249,922	684,878	18,461,738	4,209,237
Income taxes	-	-	-	-	-	278,211
TOTAL	\$ 17,776,860	\$ 434,956	\$ 249,922	\$ 684,878	\$ 18,461,738	\$ 4,487,448

See accompanying notes to financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 783,139	\$ (1,323,924)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized (gain) loss	(152)	11
Noncash contributions of securities	-	(4,637)
Proceeds from sale of contributed investments	2,596	2,182
(Increase) decrease in:		
Accounts receivable	(194,515)	15,049
Prepaid expenses	(12,738)	1,424
Increase (decrease) in:		
Accounts payable and accrued liabilities	40,207	(973,771)
Income taxes payable	23,688	(1,322)
Due to related entity	<u>903,606</u>	<u>(795,746)</u>
Net cash provided (used) by operating activities	<u>1,545,831</u>	<u>(3,080,734)</u>
Net increase (decrease) in cash and cash equivalents	1,545,831	(3,080,734)
Cash and cash equivalents at beginning of year	<u>3,586,934</u>	<u>6,667,668</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>5,132,765</u>	\$ <u>3,586,934</u>
 SUPPLEMENTAL INFORMATION:		
Taxes Paid	\$ <u>-</u>	\$ <u>277,328</u>

CENTER FOR VOTER INFORMATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Center for Voter Information (CVI) formerly known as Women's Voices, Women Vote Action Fund is a non-profit organization, incorporated and located in Washington, D.C. CVI conducts advocacy and voter turnout programs for the purposes of voter education. CVI provides comprehensive and factual information about positions of candidates to encourage the New American Majority (young people, people of color, and unmarried women) to participate in the democratic process. CVI's primary source of revenue is from individuals and foundation/trust grants.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CVI's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Cash and cash equivalents -

CVI considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, CVI maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income net of investment expenses in the Statement of Activities and Change in Net Assets. CVI did not have any investments for the year ended December 31, 2022.

Investments acquired by gift are recorded at their fair value at the date of the gift. CVI's policy is to liquidate all gifts of investments as soon as possible after the gift.

Accounts receivable -

Accounts receivable approximate fair value. Management considers all amounts to be fully collectable within one year. Accordingly, an allowance for doubtful accounts has not been established.

Income taxes -

CVI is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. However, it is subject to taxation on political expenditures by the Internal Revenue Service and the District of Columbia. The amount of the income taxes incurred for the year ended December 31, 2022 totaled \$24,571. CVI also received an income taxes refund of \$64,241 for overpayment of income taxes, resulting in total income taxes refund of \$39,670 report on the Statement of Activities and Change in Net Assets for the year ended December 31, 2022.

Uncertain tax positions -

For the year ended December 31, 2022, CVI has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Contributions and grants -

Contributions and grants are recognized in the appropriate category of net assets in the period received. CVI performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contributions rules or if considered an exchange transaction depending on whether the transaction is reciprocal or nonreciprocal under ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contributions rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the condition on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Contributions and grants (continued) -

Conditional contributions contain a right of return and a barrier. As such, CVI recognizes revenue for these conditional contributions when the related barrier has been overcome. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. CVI did not have any unrecognized conditional awards as of December 31, 2022.

Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of CVI are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

New accounting pronouncement not yet adopted -

ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for CVI for the year ending December 31, 2023. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

CVI plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

Risks and uncertainties -

CVI invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurements -

CVI adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. CVI accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. LIQUIDITY AND AVAILABILITY

CVI has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 5,132,765
Accounts receivable	<u>198,470</u>

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>5,331,235</u>
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3. RELATED ENTITY

CVI and the Voter Participation Center (VPC) share an office and other administrative expenses, staff and two members of the Board of Directors, including the President. The Boards of Directors do not exercise significant influence over the activities of the other organization; accordingly, the financial statements of CVI and VPC have not been consolidated. During the year ended December 31, 2022, VPC and CVI incurred shared expenses of approximately \$1,690,652. As of year-end, CVI had a payable of \$2,564,427 due to VPC for shared expenses.

4. SUBSEQUENT EVENTS

In preparing these financial statements, CVI has evaluated events and transactions for potential recognition or disclosure through August 2, 2023, the date the financial statements were issued.