

VERIFIED VOTING FOUNDATION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2018



VERIFIED VOTING FOUNDATION
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Verified Voting Foundation
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Verified Voting Foundation (a nonprofit organization) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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.

Board of Trustees
Verified Voting Foundation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Verified Voting Foundation as of June 30, 2018, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

J. Miller & Associates, LLC

J. MILLER & ASSOCIATES, LLC

Philadelphia, Pennsylvania
January 28, 2020

**VERIFIED VOTING FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018**

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 234,741
Grants Receivables	50,000
Related Party Receivables	50,356
Total Current Assets	335,097
 NONCURRENT ASSETS	
Fixed Assets, net	3,214
Total Assets	\$ 338,311
 LIABILITIES AND NET ASSETS	
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 113,777
Total Current Liabilities	113,777
Total Liabilities	113,777
 NET ASSETS	
Unrestricted	174,534
Temporarily Restricted	50,000
Total Net Assets	224,534
Total Liabilities and Net Assets	\$ 338,311

See accompanying Notes to Financial Statements.

**VERIFIED VOTING FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS AND OTHER SUPPORT			
Core Operations			
Foundations and Corporate Grants	\$ 767,750	\$ 250,000	\$ 1,017,750
Donations and Contributions	289,012	-	289,012
Interest and Other income	31	-	31
Net Assets Released From Restrictions	404,333	(404,333)	-
Total Revenues, Gains and Support	1,461,126	(154,333)	1,306,793
EXPENSES			
Program Expenses	926,881	-	926,881
Management and General	194,671	-	194,671
Fundraising	137,435	-	137,435
Total Expenses	1,258,987	-	1,258,987
CHANGE IN NET ASSETS	202,139	(154,333)	47,806
Net Assets - Beginning of Year	(27,605)	204,333	176,728
NET ASSETS - END OF YEAR	\$ 174,534	\$ 50,000	\$ 224,534

See accompanying Notes to Financial Statements.

**VERIFIED VOTING FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 47,806
Adjustments to Change in Net Assets to Net Cash From Operating Activities:	
Depreciation	1,529
Increase (Decrease) in:	
Grants Receivables	50,000
Related Party Receivables	(3,943)
Prepaid Expenses	3,200
Deposits	2,071
Accounts Payable and Accrued Expenses	50,616
Accrued Vacation	(6,115)
Net Cash Provided by Operating Activities	<u>145,164</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	<u>(2,129)</u>
Net Cash Used by Investing Activities	<u>(2,129)</u>
 NET INCREASE IN CASH	 143,035
 Cash and Cash Equivalents - Beginning of Year	 <u>91,706</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 234,741</u>

See accompanying Notes to Financial Statements.

**VERIFIED VOTING FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

The Verified Voting Foundation (“VVF”) is an educational nonprofit 501(c)(3) organization incorporated on February 2004 in the State of Delaware. VVF is a non-governmental organization working toward the accuracy, integrity and verifiability of elections.

Basis of Accounting

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The accompanying financial statements present information regarding VVF’s financial position and activities. There are three classes of net assets: unrestricted, temporarily restricted and permanently restricted. VVF had no permanently restricted net assets as of June 30, 2018. VVF’s two classes of net assets are as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.
- Temporarily restricted net assets – Net assets that are not subject to donor-imposed restrictions that may or will be met either by action of VVF and/or passage of time.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, VVF considers all short-term, highly liquid investments, with a maturity of three months or less, to be cash equivalents.

Fixed Assets

The purchased fixed assets are recorded at cost; contributed fixed assets are recorded at fair value when received. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Fixed assets valued at less than \$500 are expensed as incurred. Maintenance and repairs are charged to expenses as incurred.

**VERIFIED VOTING FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Receivables

Contributions and grants received by VVF are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

VVF receives grants from various private organizations and businesses to further its program goals. Grants are recognized as revenue when notified of an award and a related receivable is recorded. Conditional grants received in advance of the conditions being substantially met are recorded as refundable advances. VVF uses the allowance method to determine uncollectible grants receivable. The allowance for doubtful accounts is based on prior years' experience and management's analysis. All receivables are considered to be fully collectible, accordingly, no allowance for doubtful accounts has been provided.

Contributed Services and Materials

VVF receives numerous hours per year of contributed services for Board and various committee meetings. These services do not meet the requirements for recognition as a contribution; as such the value of these contributed services is not recorded in the financial statements.

Contributions of donated noncash assets are recorded at their fair market value in the period received.

Functional Allocation of Expenses

Expenses incurred are recorded as either program, general and administrative or fundraising.

Advertising Costs

Advertising costs are charged to expense as incurred.

Income Tax Status

VVF is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Service Code and Section 2370(d) of the State Revenue and Taxation Code and contributions to it are tax deductible within the limitation prescribed by the Code. Income from activities unrelated to the exempt purpose of VVF is taxable. Management does not consider any of its activities to be subject to unrelated business income tax, therefore no provision has been made for income taxes in these financial statements.

Management has considered its tax positions and believes that all of the positions taken are more likely than not to be sustained upon examination. Accordingly, there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

**VERIFIED VOTING FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 2 FAIR VALUE MEASUREMENTS

VVF considers the carrying value of its cash, receivables, and payables to approximate fair value because of the relative short maturities of these instruments.

NOTE 3 RELATED PARTY RECEIVABLE

VerifiedVoting.org (VVO) is a non-partisan nonprofit 501(c)(4) organization that advocates for legislation and regulation that promotes accuracy, transparency, and verifiable elections. VVO is under common control; the Board and management team are comprised of the same individuals. A portion of VVF's officers' salaries, outside consulting, accounting, rent, and other support costs may be allocated to VVO. As of June 30, 2018, the amount due from VVO for allocated expenses was \$50,356.

NOTE 4 FIXED ASSETS

As of June 30, 2018, fixed assets consisted of the following:

Computers and office furnishings	\$ 24,999
less: accumulated depreciation	<u>(21,785)</u>
Fixed assets, net	<u><u>\$ 3,214</u></u>

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purpose:

Time restrictions - California elections	<u><u>\$ 50,000</u></u>
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NOTE 6 NET ASSETS RELEASED FROM RESTRICTIONS

Time restrictions - general operations	\$ 200,000
Time restrictions - California elections	45,833
Cyber risk	150,000
Voter privacy	<u>8,500</u>
	<u><u>\$ 404,333</u></u>

NOTE 7 COMMITMENTS AND CONTINGENCIES

In September 2018, VVF entered into a membership agreement for use of office space in Philadelphia, Pennsylvania, which was subsequently amended effective March 1, 2019. Under this agreement VVF is required to pay a total of \$3,300 per month, on a month-to-month basis. For the year ended June 30, 2018 rental expense was \$16,285.

**VERIFIED VOTING FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 8 CONCENTRATION OF RISK

VVF maintains its cash in bank accounts which, at times, may exceed federally insured limits. Amounts at each institution are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

NOTE 9 SUBSEQUENT EVENTS

In preparing these financial statements, VVF has evaluated events and transactions for potential recognition or disclosure through January 28, 2020, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

VERIFIED VOTING FOUNDATION, INC
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel Expenses:				
Salaries	\$ 190,751	\$ 44,020	\$ 32,014	\$ 266,785
Payroll Taxes	18,275	4,217	3,067	25,559
Fringe Benefits	8,368	1,931	1,403	11,703
Total Personnel Expenses	<u>217,394</u>	<u>50,168</u>	<u>36,485</u>	<u>304,047</u>
Professional fees	484,913	111,903	20,643	617,459
Travel, Conferences and Meetings	37,064	8,553	5,311	50,928
Accounting Fees	31,780	7,334	5,334	44,448
Rent and Office expenses	44,295	10,222	7,434	61,951
Lobbying Activities	-	-	61,664	61,664
Contributions and grants	108,000	-	-	108,000
Advertising	403	93	68	564
Insurance	-	4,169	-	4,169
Other	3,032	700	496	4,228
Depreciation	-	1,529	-	1,529
	<u>\$ 926,881</u>	<u>\$ 194,671</u>	<u>\$ 137,435</u>	<u>\$ 1,258,987</u>