

# Verified Voting Foundation

Financial Statements

Six Months Ended December 31, 2021



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# VERIFIED VOTING FOUNDATION

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## INDEPENDENT AUDITOR'S REPORT

**Board of Directors  
Verified Voting Foundation  
Philadelphia, Pennsylvania**

### ***Opinion***

We have audited the accompanying financial statements of Verified Voting Foundation (a nonprofit organization), 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 six months 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 Verified Voting Foundation as of December 31, 2021, and the changes in its net assets and its cash flows for the six months then ended in accordance with U.S. generally accepted accounting principles.

### ***Basis for Opinion***

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 Verified Voting Foundation 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 U.S. generally accepted accounting principles, 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 Verified Voting Foundation'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. 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 Verified Voting Foundation'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 Verified Voting Foundation'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.

*BBD, LLP.*

**Philadelphia, Pennsylvania**  
**August 24, 2022**

# VERIFIED VOTING FOUNDATION

## STATEMENT OF FINANCIAL POSITION

December 31, 2021

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### ASSETS

Cash	\$ 970,110
Grants and contributions receivable	191,163
Prepaid expenses	4,500
Due from related party	4,922
Office equipment, net of accumulated depreciation of \$11,197	<u>4,765</u>
<b>Total assets</b>	<b><u>\$ 1,175,460</u></b>

### LIABILITIES

Accounts payable and accrued expenses	\$ 97,131
Loan payable - Paycheck Protection Program	<u>146,517</u>
<b>Total liabilities</b>	<b><u>243,648</u></b>

### NET ASSETS

Without donor restrictions	740,649
With donor restrictions	<u>191,163</u>
<b>Total net assets</b>	<b><u>931,812</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 1,175,460</u></b>

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See accompanying notes

# VERIFIED VOTING FOUNDATION

## STATEMENT OF ACTIVITIES

Six months ended December 31, 2021

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	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 628,775	\$ 191,163	\$ 819,938
Other income	2,002	-	2,002
Net assets released from restrictions	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>
<b>Total revenue and support</b>	<u>730,777</u>	<u>91,163</u>	<u>821,940</u>
<b>EXPENSES</b>			
Program services	684,015	-	684,015
Management and general	125,085	-	125,085
Fundraising	<u>142,260</u>	<u>-</u>	<u>142,260</u>
<b>Total expenses</b>	<u>951,360</u>	<u>-</u>	<u>951,360</u>
<b>CHANGE IN NET ASSETS</b>	(220,583)	91,163	(129,420)
<b>NET ASSETS</b>			
Beginning of period	<u>961,232</u>	<u>100,000</u>	<u>1,061,232</u>
<b>End of period</b>	<u>\$ 740,649</u>	<u>\$ 191,163</u>	<u>\$ 931,812</u>

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See accompanying notes

# VERIFIED VOTING FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

Six months ended December 31, 2021

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	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 329,159	\$ 70,534	\$ 70,534	\$ 470,227
Depreciation	-	2,370	-	2,370
Insurance	-	5,163	-	5,163
Professional fees	339,373	19,166	61,200	419,739
Rent and office expenses	2,876	18,762	10,526	32,164
Travel and meetings	12,607	-	-	12,607
Other	-	9,090	-	9,090
<b>Total expenses</b>	<u>\$ 684,015</u>	<u>\$ 125,085</u>	<u>\$ 142,260</u>	<u>\$ 951,360</u>

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See accompanying notes

# VERIFIED VOTING FOUNDATION

## STATEMENT OF CASH FLOWS

Six months ended December 31, 2021

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### CASH FLOWS FROM OPERATING ACTIVITIES

<i>Change in net assets</i>	\$ (129,420)
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>	
Depreciation	2,370
(Increase) decrease in	
Grants and contributions receivable	(91,163)
Prepaid expenses	5,000
Due from related party	(2,720)
Increase (decrease) in	
Accounts payable and accrued expenses	<u>34,158</u>
<b>Net cash used for operating activities and net change in cash</b>	<u>(181,775)</u>
<b>CASH</b>	
Beginning of period	<u>1,151,885</u>
End of period	<u>\$ 970,110</u>

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See accompanying notes



# VERIFIED VOTING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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### (1) NATURE OF OPERATIONS

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.

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting. As a result, revenues are recognized when earned and expenses are recognized when incurred.

#### **Basis of Presentation**

VVF reports information regarding its financial position and activities according to the following classes of net assets:

##### ***Without donor restrictions***

Net assets that are not subject to donor-imposed restrictions.

##### ***With donor restrictions***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of VVF and/or the passage of time. When a restriction is satisfied, 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.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting VVF to expend the income generated in accordance with the provisions of the contribution. VVF had no net assets required to be maintained indefinitely at December 31, 2021.

#### **Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expense. Actual results could differ from those estimates.

#### **Office Equipment**

Office equipment are carried at cost, if purchased and, at fair value at the date of donation if donated. VVF capitalizes expenditures for property and equipment in excess of \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Maintenance and repairs are charged to operations when incurred. When property and equipment are sold or otherwise disposed of, the asset accounts and related accumulated depreciation accounts are relieved and any gain or loss is included as increases or decreases in net assets on the statement of activities.

#### **Revenue Recognition**

Grants and contributions received are recorded as net assets without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

# VERIFIED VOTING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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Unconditional grants and contributions are recognized when the related promise to give is received. Conditional grants and contributions are recognized when the conditions are satisfied. VVF uses the allowance method to determine uncollectible grants and contributions receivable. Grants and contributions receivable are considered to be fully collectible, accordingly, no allowance for doubtful accounts is considered to be necessary.

Program service fees are recognized when the performance obligation of providing the service has been completed.

### **Contributed Services**

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

VVF receives numerous hours per year of contributed services for Board and various committee meetings. The financial statements do not reflect the value of these contributed services since these services do not meet the criteria for recognition.

### **Income Taxes**

VVF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for income tax is included in the accompanying financial statements.

U.S. generally accepted accounting principles ("**GAAP**") requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. VVF believes that it had no uncertain tax positions as defined in GAAP.

### **Functional Allocation of Expenses**

The costs of providing various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated. Significant expenses that are allocated are salaries and benefits which are allocated based on estimates of time and effort.

### **Concentrations of Credit Risk**

Financial instruments which potentially subject VVF to concentrations of credit risk are cash, grants and contributions receivable and accounts receivable. VVF maintains cash deposits at high quality financial institutions. At times, such deposits may exceed federally-insured limits. Contributions receivable consist of individual donations. Grants and contributions receivable are expected to be collected in 2022.

## **(3) DUE FROM RELATED PARTY**

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, VVF and VVO have common board members and management. VVF pays expenses on behalf of VVO and, as a result, at December 31, 2021, VVO owed VVF \$4,922.

# VERIFIED VOTING FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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### (4) LOAN PAYABLE - PAYCHECK PROTECTION PROGRAM

In February 2021, VVF received loan proceeds in the amount of \$146,517 under the Paycheck Protection Program ("**PPP**"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("**Cares Act**"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business' average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities.

### (5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for future periods.

### (6) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects VVF's financial assets as of the statement of financial position date, all of which are available for general expenditures within one year.

Cash	\$ 970,110
Grants and contributions receivable	191,163
Due from related party	<u>4,922</u>
Total financial assets	<u>\$1,166,195</u>

#### Liquidity Management

As part of VVF's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically money market funds. VVF is currently in the process of developing and finalizing a comprehensive policy covering the management of funds by the Board of Directors.

### (7) SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 24, 2022, the date on which the financial statements were available to be issued. The extent of the impact of COVID-19 on VVF's operational and financial performance will depend on further developments, including the duration and spread of the outbreak, all of which cannot be predicted at this time. No material subsequent events have occurred since December 31, 2021 that require recognition or disclosure in the financial statements.