

**FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED DECEMBER 31, 2014  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2013**

# EVERY VOICE CENTER

## CONTENTS

	<b>PAGE NO.</b>
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statement of Financial Position, as of December 31, 2014, with Summarized Financial Information for 2013	4
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2014, with Summarized Financial Information for 2013	5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2014, with Summarized Financial Information for 2013	6
EXHIBIT D - Statement of Cash Flows, for the Year Ended December 31, 2014, with Summarized Financial Information for 2013	7
NOTES TO FINANCIAL STATEMENTS	8 - 11

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Every Voice Center  
Washington, D.C.

We have audited the accompanying financial statements of Every Voice Center, which comprise the statement of financial position as of December 31, 2014, 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.

**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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Every Voice Center as of December 31, 2014, 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.

4550 MONTGOMERY AVENUE • SUITE 650 NORTH • BETHESDA, MARYLAND 20814  
(301) 951-9090 • FAX (301) 951-3570 • WWW.GRFCA.COM

### **Report on Summarized Comparative Information**

We have previously audited Every Voice Center's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 19, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

November 12, 2015

**EVERY VOICE CENTER**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2014**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013**

**ASSETS**

	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 583,397	\$ 698,578
Investments	-	2,567
Contributions receivable	53,274	2,500
Grants receivable	-	175,000
Due from Every Voice	-	65,419
Prepaid expenses	<u>11,940</u>	<u>-</u>
Total current assets	<u>648,611</u>	<u>944,064</u>
<b>OTHER ASSETS</b>		
Restricted cash	47,761	-
Deposit	<u>3,000</u>	<u>3,000</u>
Total other assets	<u>50,761</u>	<u>3,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 699,372</u></b>	<b><u>\$ 947,064</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 79,726	\$ 66,313
Due to Every Voice	<u>56,361</u>	<u>-</u>
Total current liabilities	<u>136,087</u>	<u>66,313</u>
<b>NET ASSETS</b>		
Unrestricted	454,876	398,366
Temporarily restricted	<u>108,409</u>	<u>482,385</u>
Total net assets	<u>563,285</u>	<u>880,751</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 699,372</u></b>	<b><u>\$ 947,064</u></b>

## EVERY VOICE CENTER

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013**

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUE</b>				
Foundation grants	\$ 1,541,833	\$ 116,667	\$ 1,658,500	\$ 1,132,000
Contributions	1,258,382	-	1,258,382	852,399
Investment income	97	-	97	389
Net assets released from donor restrictions	<u>490,643</u>	<u>(490,643)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>3,290,955</u>	<u>(373,976)</u>	<u>2,916,979</u>	<u>1,984,788</u>
<b>EXPENSES</b>				
Program Services	2,792,294	-	2,792,294	1,490,832
General and Administrative	243,339	-	243,339	246,813
Fundraising	<u>198,812</u>	<u>-</u>	<u>198,812</u>	<u>198,685</u>
Total expenses	<u>3,234,445</u>	<u>-</u>	<u>3,234,445</u>	<u>1,936,330</u>
Change in net assets	56,510	(373,976)	(317,466)	48,458
Net assets at beginning of year	<u>398,366</u>	<u>482,385</u>	<u>880,751</u>	<u>832,293</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 454,876</u></b>	<b><u>\$ 108,409</u></b>	<b><u>\$ 563,285</u></b>	<b><u>\$ 880,751</u></b>

## EVERY VOICE CENTER

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013**

	2014			2013	
	Program Services	Supporting Services		Total Expenses	Total Expenses
		General and Administrative	Fundraising		
National and state grants	\$ 1,471,000	\$ -	\$ -	\$ 1,471,000	\$ 143,500
Salaries, payroll taxes and fringe benefits	911,642	138,128	126,681	1,176,451	1,274,386
Consultants	149,864	-	10,200	160,064	65,533
Information technology	61,820	4,869	17,449	84,138	66,467
Occupancy	58,178	11,994	10,139	80,311	68,440
Professional fees	-	63,585	-	63,585	50,502
Conferences and meetings	44,083	3,705	-	47,788	22,879
Office expenses	26,940	5,554	4,695	37,189	31,166
Travel	23,694	3,690	5,864	33,248	58,350
Mail outreach	3,483	-	22,117	25,600	60,075
State support	21,120	-	-	21,120	34,200
Legal fees	7,599	7,599	-	15,198	32,376
Training program	8,153	-	-	8,153	17,002
Subscriptions and publications	3,333	-	1,667	5,000	3,705
Insurance	-	4,215	-	4,215	4,103
Lobbying expenses	1,385	-	-	1,385	1,661
Other	-	-	-	-	1,985
<b>TOTAL</b>	<b>\$ 2,792,294</b>	<b>\$ 243,339</b>	<b>\$ 198,812</b>	<b>\$ 3,234,445</b>	<b>\$ 1,936,330</b>

## EVERY VOICE CENTER

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (317,466)	\$ 48,458
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Donated stock	-	(2,567)
Realized loss on sale of investment	105	-
(Increase) decrease in:		
Contributions receivable	(50,774)	20,505
Grants receivable	175,000	107,000
Due from Every Voice	65,419	6,604
Prepaid expenses	(11,940)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	13,413	(52,222)
Due to Every Voice	<u>56,361</u>	<u>-</u>
Net cash (used) provided by operating activities	<u>(69,882)</u>	<u>127,778</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	<u>2,462</u>	<u>-</u>
Net cash provided by investing activities	<u>2,462</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(67,420)	127,778
Cash and cash equivalents at beginning of year, including restricted cash in the amount of \$0	<u>698,578</u>	<u>570,800</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR, INCLUDING RESTRICTED CASH IN THE AMOUNT OF \$47,761</b>	<b><u>\$ 631,158</u></b>	<b><u>\$ 698,578</u></b>



## EVERY VOICE CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

Every Voice Center is a non-profit corporation incorporated on November 18, 1996 in the District of Columbia. Its primary purpose is to educate the general public and policy makers in the United States of America regarding the consequences of the current system of campaign finance and the merits of comprehensive reform.

In March 2015, Every Voice Center amended its Articles of Incorporation to change its legal name from Public Campaign to Every Voice Center.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

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 Every Voice Center's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

##### Cash and cash equivalents -

Every Voice Center 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, Every Voice Center maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Grants and contributions receivable -

Grants and contributions receivable consist of grants and contributions expected to be received within one year, and are recorded at their fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

##### Furniture and equipment -

Furniture and equipment costing \$3,500 and above are capitalized and stated at cost in the accompanying financial statements. Furniture and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five years. The costs of maintenance and repairs and furniture and equipment valued less than \$3,500 are recorded as expenses are incurred.

For the year ended December 31, 2014, all furniture and equipment were fully depreciated.

##### Income taxes -

Every Voice Center is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. Every Voice Center is not a private foundation.

**EVERY VOICE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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

Uncertain tax positions -

For the year ended December 31, 2014, Every Voice Center 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.

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of Every Voice Center.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of Every Voice Center and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Grants and contributions -

Unrestricted and temporarily restricted grants and contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted grants and contributions are recognized as unrestricted support 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 temporarily restricted net assets in the accompanying financial statements.

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.

Risks and uncertainties -

Every Voice Center invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

EVERY VOICE CENTER

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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

Risks and uncertainties (continued) -

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 measurement -

Every Voice Center 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. Every Voice Center accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at December 31, 2014:

Time restriction	\$ 91,667
Special projects	<u>16,742</u>
	<b><u>\$ 108,409</u></b>

3. **NET ASSETS RELEASED FROM RESTRICTIONS**

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

Passage of time	\$ 432,000
Special projects	<u>58,643</u>
	<b><u>\$ 490,643</u></b>

4. **LEASE COMMITMENT**

Every Voice Center leases office space under a six-year sublease agreement, which originated on December 1, 2009. In May 2014, the terms of the agreement were modified to change the expiration date to April 30, 2015, and Every Voice, a related party, became the primary holder of the sublease agreement.

On November 19, 2014, Every Voice Center signed a five-year lease agreement, commencing on May 1, 2015. Base rate is \$286,568 per year, plus a proportionate share of expenses, increasing by a factor of 2% per year. Every Voice Center's obligation to pay the monthly base rent is abated for the first four months of the lease.

The lease agreement also requires Every Voice Center to keep an irrevocable Letter of Credit in the amount of \$47,761, for the purpose of securing performance of the lease obligation. As of December 31, 2014, restricted cash is maintained to secure the letter of credit.

**EVERY VOICE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**4. LEASE COMMITMENT (Continued)**

The future minimum rental payments under the lease expiring April 30, 2015, plus the new lease beginning May 2015, are as follows:

**Year Ending December 31,**

2015		\$ 145,939
2016		290,388
2017		296,200
2018		302,133
2019		308,186
Thereafter		<u>103,406</u>
		<b><u>\$ 1,446,252</u></b>

As noted in Note 5, Every Voice Center shares office space with Every Voice, and rent expenses are shared between the organizations. Rent expense for Every Voice Center and Every Voice for the year ended December 31, 2014 totaled \$80,311 and \$72,914, respectively.

**5. RELATED PARTY TRANSACTIONS**

Every Voice Center and Every Voice do not have a common Board of Directors; however, the organizations share staff personnel, office space, supplies, office furniture and equipment, and other similar services and items. Costs are allocated between the two organizations based on actual expenditures and a percentage of salaries.

In 2014, Every Voice Center provided grants to Every Voice for public education purposes and support for reform of campaign finance laws totaling to \$1,451,000.

As of December 31, 2014, Every Voice Center had a payable of \$56,361 due to Every Voice for grants provided, net of shared administrative expenses.

**6. RETIREMENT PLAN**

Every Voice Center has a 403(b) tax deferred annuity plan. The plan covers all employees who meet certain age and employment requirements. Retirement expense for 2014 totaled \$37,591.

**7. SUBSEQUENT EVENTS**

In preparing these financial statements, Every Voice Center has evaluated events and transactions for potential recognition or disclosure through November 12, 2015, the date the financial statements were issued.