FINANCIAL STATEMENTS

EVERY VOICE CENTER

FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2016

EVERY VOICE CENTER

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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, 2017, 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, 2017, 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.

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Report on Summarized Comparative Information

We have previously audited Every Voice Center's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 24, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

April 17, 2018

EVERY VOICE CENTER

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

ASSETS

	2017	2016
CURRENT ASSETS		
Cash and cash equivalents	$ 302,413	$ 434,973
Due from Every Voice	-	103,894
Grants receivable	125,746	510,114
Prepaid expenses	32,303	50,203
Security deposit	2,610	2,610
Total current assets	463,072	1,101,794
OTHER ASSETS		
Restricted certificate of deposit	49,018	48,243
Deposit	25,000	-
Total other assets	74,018	48,243
TOTAL ASSETS	**$ 537,090**	**$ 1,150,037**

LIABILITIES AND NET ASSETS

	2017	2016
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 47,301	$ 73,690
Due to Every Voice	10,365	-
Total current liabilities	57,666	73,690
NET ASSETS		
Unrestricted	259,424	401,347
Temporarily restricted	220,000	675,000
Total net assets	479,424	1,076,347
TOTAL LIABILITIES AND NET ASSETS	**$ 537,090**	**$ 1,150,037**

EVERY VOICE CENTER

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Foundation grants	$ -	$ 260,000	$ 260,000	$ 1,325,000
Contributions	1,461,908	-	1,461,908	2,109,073
Investment income	4,338	-	4,338	274
Contributed services	30,453	-	30,453	5,860
Miscellaneous income	9,423	-	9,423	6
Net assets released from donor restrictions	715,000	(715,000)	-	-
Total revenue	2,221,122	(455,000)	1,766,122	3,440,213
EXPENSES				
Program Services	1,651,817	-	1,651,817	2,654,593
General and Administrative	271,145	-	271,145	283,318
Fundraising	440,083	-	440,083	255,921
Total expenses	2,363,045	-	2,363,045	3,193,832
Change in net assets	(141,923)	(455,000)	(596,923)	246,381
Net assets at beginning of year	401,347	675,000	1,076,347	829,966
NET ASSETS AT END OF YEAR	**$ 259,424**	**$ 220,000**	**$ 479,424**	**$ 1,076,347**

EVERY VOICE CENTER

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

	2017				2016
	Program Services	General and Administrative	Fundraising	Total Expenses	Total Expenses
Grants	$ 1,135,000	$ -	$ -	$ 1,135,000	$ 1,462,450
Salaries, payroll taxes and fringe benefits	257,416	264,242	236,703	758,361	956,397
Consultants	64,481	487	75	65,043	353,599
Occupancy	-	166,358	-	166,358	152,500
Professional fees	-	96,767	-	96,767	80,963
Travel	704	23,472	10,041	34,217	54,805
Office expenses	-	24,563	8,090	32,653	48,884
Internet and web related	18,103	21,112	-	39,215	37,084
Conferences, events and meetings	-	4,114	521	4,635	21,239
Subscriptions and publications	6,253	515	1,773	8,541	9,925
State charitable registrations	-	-	11,618	11,618	9,524
Legal fees	-	4,909	-	4,909	4,774
Insurance	-	4,136	-	4,136	1,432
Organizational development	-	89	-	89	198
Strategic planning	-	1,183	-	1,183	58
Miscellaneous	320	-	-	320	-
	1,482,277	611,947	268,821	2,363,045	3,193,832
Allocation of management and general	173,526	(328,150)	154,624	-	-
TOTAL	**$ 1,655,803**	**$ 283,797**	**$ 423,445**	**$ 2,363,045**	**$ 3,193,832**

See accompanying notes to financial statements.

EVERY VOICE CENTER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (596,923)	$ 246,381
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Net appreciation of Certificate of Deposit	(775)	-
Decrease (increase) in:		
Contributions receivable	-	50,000
Due from Every Voice	103,894	(35,392)
Grants receivable	384,368	(310,114)
Prepaid expenses	17,900	(36,027)
Security deposit	-	(2,610)
Deposit	(25,000)	-
(Decrease) increase in:		
Accounts payable and accrued expenses	(26,389)	12,184
Due to Every Voice	10,365	(74,223)
Net cash used by operating activities	(132,560)	(149,801)
Net decrease in cash and cash equivalents	(132,560)	(149,801)
Cash and cash equivalents at beginning of year	434,973	584,774
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 302,413**	**$ 434,973**

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, 2016, 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, pledges and contributions receivable -

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

Fixed assets -

Fixed assets costing $3,500 and above are capitalized and stated at cost in the accompanying financial statements. Furniture, equipment and software are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five years. Every Voice Center is in the process of developing a website platform that is not yet in service. The expected completion date is the end of fiscal year 2018 at which time the website platform will be capitalized. The costs of maintenance and repairs and furniture, equipment and software valued less than $3,500 are expensed are incurred.

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.

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

Uncertain tax positions -

For the year ended December 31, 2017, 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.

Net asset classification -

The net assets are reported in two 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 even if the restriction is met in the same reporting period. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Contributed services -

Contributed services consist primarily of professional services received pro-bono. Contributed services are recorded at their fair value as of the date of the gift. Every Voice Center received $30,453 of contributed services during the year ended December 31, 2017, which are recorded under General and Administrative expense on the 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.

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

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. Every Voice Center has a certificate of deposit in the amount of $49,018 that is considered a Level 1 asset.

New accounting pronouncement not yet implemented -

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of Every Voice Center's financial statements for fiscal years beginning after December 15, 2017, it is not expected to alter Every Voice Center's financial position.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. Every Voice Center finds that its current revenue recognition methodology is generally compliant with the requirements of ASU 2014-09 and therefore does not expect significant changes upon implementation in its fiscal year ending December 31, 2019

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

Every Voice Center plans to adopt the new ASUs at the respective required implementation dates.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2017:

Restricted for Time	$ 165,000
Research/Policy Development	55,000
TOTAL TEMPORARILY RESTRICTED NET ASSETS	**$ 220,000**

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	$ 590,000
Research/Policy Development	10,000
Communication	85,000
State Reform	30,000
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 715,000**

4. LEASE COMMITMENT

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 was abated for the first four months of the lease.

The lease agreement also requires Every Voice Center to keep an irrevocable letter of credit or cash deposit in the amount of $47,761. Every Voice Center has a letter of credit with SunTrust Bank to satisfy this obligation. As collateral for the letter of credit, Every Voice Center has a certificate of deposit in the amount of $49,018.

The future minimum rental payments under the lease are as follows:

Year Ending December 31,	
2018	$ 296,200
2019	302,133
2020	308,186
2021	103,406
	$ 1,009,925

As noted in Note 5, Every Voice Center shares the office space with Every Voice, and rent expenses are shared between the organizations. Rent expense, which is included in occupancy for Every Voice Center for the year ended December 31, 2017 totaled $166,358.

4. LEASE COMMITMENT (Continued)

In June 2017, Every Voice Center entered into a one-year sublease agreement as sublessor with JJO Media, LLC as sublessee. The initial term of the sublease is July 10, 2017 through July 9, 2018. Base rent is $1,100 per month, plus a proportionate share of operating expenses and real estate taxes. Sublessee has an option to extend the sublease, in which case base rent will increase to $1,155 per month.

The future minimum rent income under the sublease is as follows:

Year Ending December 31, 2018	**$ 6,919**

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 2017, Every Voice Center provided grants to Every Voice for public education purposes and support for reform of campaign finance laws totaling to $1,135,000.

As of December 31, 2017, Every Voice Center had a payable of $10,365 due to Every Voice for 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. Every Voice Center contributes 4% of gross wages. Retirement expense for December 31, 2017 totaled $21,027.

7. SUBSEQUENT EVENTS

In preparing these financial statements, Every Voice Center has evaluated events and transactions for potential recognition or disclosure through April 17, 2018, the date the financial statements were issued.