

RANK THE VOTE, INC.

Financial Statements
and
Independent Auditor's Report

December 31, 2024

Table of Contents

Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Rank the Vote, Inc.:

Opinion

We have audited the accompanying financial statements of Rank the Vote, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, its cash flows, and statement of functional expenses 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 Rank the Vote, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows and statement of functional expenses 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 Rank the Vote, Inc. 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 Rank the Vote, Inc.'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, 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 Rank the Vote, Inc.'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 Rank the Vote, Inc.'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.



JAMES A. GEORGE, P.C.
Andover, Massachusetts
April 28, 2025

Rank the Vote, Inc.
Statement of Financial Position
December 31, 2024

Assets

Current Assets	
Cash	\$ 114,847
Investments	340
Accounts Receivable	974
Pledge Receivables	285,600
Total Current Assets	<u>401,761</u>
 Total Assets	 <u><u>\$ 401,761</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 22,974
Total Current Liabilities	<u>22,974</u>
 Total Liabilities	 <u>22,974</u>
Net Assets	
Without Donor Restrictions	<u>378,787</u>
Total Net Assets	<u>378,787</u>
 Total Liabilities and Net Assets	 <u><u>\$ 401,761</u></u>

See accompanying notes to the financial statements.

Rank the Vote, Inc.
Statement of Activities
For the Year Ended
December 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 1,264,743	\$ -	\$ 1,264,743
State Fee for Service Revenue	473,654	-	473,654
Net Assets Released from Restrictions	-	-	-
Total Public Support and Revenues	<u>1,738,397</u>	<u>-</u>	<u>1,738,397</u>
Expenses and Losses			
Program Expenses	1,546,958	-	1,546,958
Administrative Expenses	170,667	-	170,667
Fundraising Expenses	<u>82,860</u>	<u>-</u>	<u>82,860</u>
Total Operating Expenses and Losses	<u>1,800,485</u>	<u>-</u>	<u>1,800,485</u>
Other Income and Expenses			
Unrealized/Realized Gain on Investments	<u>31</u>	<u>-</u>	<u>31</u>
Total Other Income and Expenses	<u>31</u>	<u>-</u>	<u>31</u>
Change in Net Assets	(62,057)	-	(62,057)
Net Assets as of the Beginning of the Year	<u>440,844</u>	<u>-</u>	<u>440,844</u>
Net Assets as of the End of the Year	<u><u>\$ 378,787</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 378,787</u></u>

See accompanying notes to the financial statements.

Rank the Vote, Inc.
Statement of Cash Flows
December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (62,057)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Gain on Investments	(31)
Non-Cash Contribution of Donated Assets	(98,796)
(Increase) Decrease in Operating Assets	
Accounts Receivable	151,744
Pledge Receivables	(285,600)
Other Current Assets	1,341
Increase (Decrease) in Operating Liabilities	
Accounts Payable	(13,999)
Deferred Revenue	(58,534)
	<hr/>
NET CASH USED BY OPERATING ACTIVITIES	<hr/> (365,932)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales of Investments	<hr/> 98,802
NET CASH PROVIDED BY INVESTING ACTIVITIES	<hr/> 98,802
NET DECREASE IN CASH	<hr/> (267,130)
BEGINNING CASH	<hr/> 381,977
ENDING CASH	<hr/> \$ 114,847 <hr/>

See accompanying notes to the financial statements.

Rank the Vote, Inc.
Statement of Functional Expenses
For the Year Ended
December 31, 2024

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 1,044,464	\$ 91,789	\$ 44,557	\$ 1,180,810
Payroll Taxes	110,759	9,734	4,725	125,218
Employee Benefits	78,925	6,936	3,367	89,228
Total Salaries and Related Expenses	<u>1,234,148</u>	<u>108,459</u>	<u>52,649</u>	<u>1,395,256</u>
Professional Fees	158,328	41,862	13,000	213,190
Travel	8,265	-	-	8,265
Marketing	1,359	-	11,173	12,532
Event Expense	-	-	6,038	6,038
Grant Expenses	39,000	-	-	39,000
Consultants	97,728	-	-	97,728
Dues and Memberships	8,100	-	-	8,100
Rent	-	2,250	-	2,250
Office Expense	-	15,242	-	15,242
Insurance	-	1,971	-	1,971
Field Expenses	30	-	-	30
Bank Charges	-	247	-	247
Filing Fees	-	636	-	636
Total Expenses and Losses	<u>\$ 1,546,958</u>	<u>\$ 170,667</u>	<u>\$ 82,860</u>	<u>\$ 1,800,485</u>

See accompanying notes to the financial statements.

Rank the Vote, Inc.
Notes to Financial Statements
December 31, 2024

Note A – Nature of Activities and Significant Accounting Policies

Nature of Activities

Rank the Vote, Inc. is a 501(c) (3) not-for-profit organization incorporated in the Commonwealth of Massachusetts on December 19, 2019. The mission of the Organization is to give a strong voice to all voters in our elections, and ensures candidates with the broadest support get to govern.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Financial Statement Presentation

The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, 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.

Net assets with donor restrictions also includes the original amount of gifts and investment earnings required by the donor to be permanently retained. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Rank the Vote, Inc.
Notes to Financial Statements
December 31, 2024

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Use of Estimates

The preparation of 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 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

For the purpose of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Property and Equipment

Property and equipment with a useful life greater than one year is stated at cost. The Organization's policy is to capitalize property and equipment costing \$2,500 or more. Depreciation is calculated on a straight-line basis based on the following useful lives:

Office Equipment	3 - 5 years
------------------	-------------

The Organization reviews long-lived assets for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Rank the Vote, Inc.
Notes to Financial Statements
December 31, 2024

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from income taxes as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws. The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statement regarding a tax position taken or expected to be taken on a tax return.

The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2024. The Organization's information returns are subject to examination by the federal and state jurisdictions and generally remain open for the most recent three years.

Fair Value Measurements

Fair value measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). 2024 Audit groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 - Other observable inputs, either directly or indirectly, including:
 - Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

Rank the Vote, Inc.
Notes to Financial Statements
December 31, 2024

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based upon time studies. All other costs are expensed directly to each category.

Fundraising Expense

Fundraising relates to the activities of raising general and specific contributions to the Organization and promoting special events. Fundraising expenses as a percentage of total contribution and special event revenue was 6.6% for the year ended December 31, 2024. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

Revenue Recognition

The Organization earns revenue as follows:

The Organization generally measures revenue based on the amounts of consideration it expects to be entitled for the transfers of goods and services to a customer, then recognizes its revenue as performance obligations are satisfied under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue contracts with customers based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Contributions - In accordance with ASC Sub Topic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958

Rank the Vote, Inc.
Notes to Financial Statements
December 31, 2024

Note A – Nature of Activities and Significant Accounting Policies (Continued)

prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Note B – Cash

The Organization maintains deposits in one account with one financial institution. Financial instruments that potentially subject Rank the Vote, Inc. to concentrations of credit risk consist principally of cash and cash equivalents and investments. Rank the Vote, Inc. maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Rank the Vote, Inc. cash and cash equivalent accounts have been placed with high credit quality financial institutions. Rank the Vote, Inc. has not experienced, nor does it anticipate, any losses with respect to such accounts.

Note C – Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Financial assets at Year End	
Cash and cash equivalents	\$ 114,847
Pledge Receivable	285,600
Accounts Receivable	974
Investments	340
	<hr/> 401,761
Less – Donor-imposed restrictions	(-)
Financial assets available to meet general expenditures over the next twelve months.	<hr/> \$ 401,761 <hr/>

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position date.

Rank the Vote, Inc.
Notes to Financial Statements
December 31, 2024

Note C – Availability and Liquidity (Continued)

The Organization also has a goal to have on hand sufficient liquid assets to be able to withstand the possibility of large capital expenditures resulting from extraordinary events, such as natural disasters. Any funds in excess of budgeted operating and capital expenditures are held in cash as to be available to the Organization.

Note D – Current Expected Credit Losses (CECL)

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," the Company has implemented the Current Expected Credit Losses (CECL) methodology for estimating allowances for credit losses.

The CECL methodology requires the Company to measure expected credit losses on financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This includes financial assets measured at amortized cost, such as loan receivables, held-to-maturity debt securities, and trade receivables.

As of December 31, 2024, the Company has recorded an allowance for credit losses of \$0. This represents the Organization's expected credit losses on financial assets as of the reporting date. The allowance is based on our assessment of historical loss rates, current economic conditions, and reasonable and supportable forecasts of future economic conditions.

Note E – Marketable Securities

On December 31, 2024, the Organization's investments were made of entirely money market funds. Fair values of assets measured on a recurring basis using quoted prices in active markets for identical assets (Level 1) at December 31, 2024 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Money Market	\$ 340	\$ 340	\$ -

Rank the Vote, Inc.
Notes to Financial Statements
December 31, 2024

Note E – Marketable Securities (Continued)

The following summarizes the marketable securities investment return and its classification in the statement of activities for the year ended December 31, 2024:

Realized and Unrealized Gains	\$ 31
Total Investment Return	<u>\$ 31</u>

Note F – Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments			
Cash and Equivalents	\$ 340	\$ -	\$ -
Total	<u>\$ 340</u>	<u>\$ -</u>	<u>\$ -</u>

Note G – Donated Securities

The organization received a non-cash contribution of publicly traded securities with a fair value of \$98,976. The investments were sold shortly thereafter resulting in a realized gain of \$31. The contribution is recorded as contribution revenue in the Statement of Activities.

Note H – Subsequent Events

The Organization has evaluated subsequent events through April 28, 2025 and the financial statements were available to be issued on April 28, 2025.