ROCK THE VOTE

Financial Statements and Independent Auditor's Report

December 31, 2023

DENBURG & LOW, PA
Certified Public Accountants
1155 Connecticut Avenue, NW, Suite 300
Washington, DC 20036

CONTENTS
Rock the Vote

DENBURG & LOW, PA
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

1155 Connecticut Avenue, NW
Suite 300
Washington, DC 20036
voice: 202/785-5600
fax: 202/785-5605
e-mail: info@denburg.com

BALTIMORE OFFICE:
6000 Metro Drive
Suite 150
Baltimore, Maryland 21215
410/593-7100

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Rock the Vote

Opinion

We have audited the accompanying financial statements of Rock the Vote (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows 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 Rock the Vote as of December 31, 2023, 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.

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 Rock the Vote 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 Rock the Vote's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

website: www.denburg.com

Members of:

The American Institute of Certified Public Accountants
The Maryland Association of Certified Public Accountants
Greater Washington Society of Certified Public Accountants

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 Rock the Vote'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 Rock the Vote'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.

Darling + Low

Washington, DC
March 4, 2025

STATEMENT OF FINANCIAL POSITION

Rock the Vote

December 31, 2023

ASSETS		
Cash	$	366,325
Contributions and grants receivable, net (Note F)		370,600
Accounts receivable		1,120
Prepaid expenses		5,639
Property and equipment (Note C)		-
Due from related organization (Note G)		16,266
Deposits		5,680
Intangible property (Note D)		41,467
Total assets	$	807,097
LIABILITIES		
Accounts payable and accrued expenses	$	99,496
Total liabilities		99,496
COMMITMENTS (Note H)		
NET ASSETS		
Without donor restrictions (Note E)		707,601
With donor restrictions (Note E)		-
Total net assets		707,601
Total liabilities and net assets	$	807,097

The accompanying notes are an integral part of these financial statements

STATEMENT OF ACTIVITIES

Rock the Vote
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions and grants	$ 1,177,365	$ -	$ 1,177,365
Other revenue	125,637	-	125,637
Net assets released from donor restrictions	392,986	(392,986)	-
Total support and revenue	1,695,988	(392,986)	1,303,002
Expenses			
Program services	1,460,225	-	1,460,225
General and administrative	178,513	-	178,513
Fundraising	119,186	-	119,186
Total expenses	1,757,924	-	1,757,924
Changes in net assets	(61,936)	(392,986)	(454,922)
Net assets - Beginning of year (Note K)	769,537	392,986	1,162,523
Net assets - End of year	$ 707,601	$ -	$ 707,601

The accompanying notes are an integral part of these financial statements

STATEMENT OF FUNCTIONAL EXPENSES

Rock the Vote
For the Year Ended December 31, 2023

	Program Services					Supporting Services		Total Programs & Supporting Services
	Civic Education	Registration Technology	Voting Rights	Culture of Voting	Total Programs	General and Administrative	Fund Raising	
Staff and benefits								
Salaries and staff compensation	$ 107,631	$ 216,853	$ 143,375	$ 52,721	$ 520,580	$ 10,889	$ 52,622	$ 584,091
Payroll taxes	8,021	17,137	10,807	3,813	39,778	1,002	4,336	45,116
Employee benefits	13,689	26,528	18,519	6,734	65,470	15,834	6,637	87,941
	129,341	260,518	172,701	63,268	625,828	27,725	63,595	717,148
Professional Fees								
Accounting	-	-	-	-	-	120,617	-	120,617
Legal	-	421	-	-	421	12,059	1,228	13,708
Consultants and other	59,088	29,526	149,481	124,044	362,139	8,211	47,978	418,328
	59,088	29,947	149,481	124,044	362,560	140,887	49,206	552,653
Travel and meetings								
Travel, lodging, artists and fees	131	1,657	1,000	196	2,984	33	306	3,323
	131	1,657	1,000	196	2,984	33	306	3,323
Equipment and maintenance								
Dues and subscriptions	504	769	649	821	2,743	144	96	2,983
Computer and equipment	-	-		-	-		-	-
Depreciation and amortization	2,463	3,626	50,103	1,118	57,310	744	458	58,512
Equipment rental and other	-	-		-	-	-	-	-
	2,967	4,395	50,752	1,939	60,053	888	554	61,495
Occupancy								
Rent and occupancy costs	10,564	14,191	12,108	4,376	41,239	2,911	1,791	45,941
	10,564	14,191	12,108	4,376	41,239	2,911	1,791	45,941
Communications and marketing								
Printing and reproduction	-	-	700	-	700	-	-	700
Advertising and video production	-	-	-	948	948	-	-	948
Other	129	190	762	59	1,140	39	24	1,203
	129	190	1,462	1,007	2,788	39	24	2,851
Technology fees								
Online voter registration	21	30	56,617	9	56,677	6	4	56,687
Catalist/Voter files	-	37,668	-	-	37,668	-	-	37,668
Election Related Data	18,750	-	-	-	18,750	-	-	18,750
Email/web/mobile	50,914	53,727	64,434	39,272	208,347	4,566	2,809	215,722
	69,685	91,425	121,051	39,281	321,442	4,572	2,813	328,827
Other operating expenses								
Insurance	3,150	4,637	3,956	1,430	13,173	951	585	14,709
Other operating expenses	1,676	2,617	2,105	760	7,158	507	312	7,977
	4,826	7,254	6,061	2,190	20,331	1,458	897	22,686
In-kind expenses								
Data and professional services	-	23,000		-	23,000		-	23,000
	-	23,000	-	-	23,000	-	-	23,000
Total expenses	$ 276,731	$ 432,577	$ 514,616	$ 236,301	$ 1,460,225	$ 178,513	$ 119,186	$ 1,757,924

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

Rock the Vote

For the Year Ended December 31, 2023

Cash flows from operating activities		
Change in net assets	$	(454,922)
Adjustments to reconcile change in net cash		
used in operating activities:		
Depreciation and amortization		58,513
Changes in operating assets and liabilities		
Decrease in contributions and grants receivable		(27,100)
Increase in accounts receivable		(1,065)
Decrease in deposits		16,800
Decrease in prepaid expenses		41,944
Increase in accounts payable and accrued expenses		41,290
Net cash used in operating activities		(324,540)
Cash flows from investing activities		
Property and equipment and intangible asset acquisitions (net of dispositions)		-
Net cash used in investing activities		-
Cash flows from financing activities		
Increase in amount due from related organization		(5,930)
Net cash used in financing activities		(5,930)
Net decrease in cash		(330,470)
Cash balance - Beginning of the year		696,795
Cash balance - End of the year	$	366,325
Supplemental disclosures		
Interest paid	$	-
Income taxes paid	$	-

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS
Rock the Vote
December 31, 2023

NOTE A - ORGANIZATION

Rock the Vote (The Organization), a non-profit corporation, was organized in Washington, DC on December 27, 2005. The Organization was formerly known as the Music for America Education Fund. The corporate offices are located in Washington, DC. The first activity began on or about April 1, 2007. Rock the Vote engages youth in the political process by incorporating the entertainment community, popular culture and new technologies with the goal of encouraging youth and others to vote and take action on issues that affect their lives. Additionally, Rock the Vote conducts voter registration, civic education and GOTV efforts focusing on 18 to 29 year olds who are the most under-represented in our democracy and empowers young people to be active citizens through political participation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements.

1. Basis of accounting

The Organization presents its financial statements on the accrual basis of accounting. Under this method, revenues are recognized when they are due or pledged rather than when they are received. Expenses are recognized when they are incurred rather than when they are paid.

2. Audit Procedures

This audit was performed in accordance with guidelines included in “Not-for-Profit Entities Audit and Accounting Guide” issued by the American Institute of Certified Public Accountants.

3. Property and equipment

Property and equipment is recorded at cost and depreciated, using the straight-line method, over the estimated useful life of the asset. Presently all property and equipment is depreciated over 3 years. It is the policy of the Organization to capitalize and depreciate property with a cost of greater than $1,000 and a useful life of more than a year.

4. Non-cash contributions

Non-cash contributions, including donated goods and services, are recorded at fair market value on the date of the donation to the extent they are susceptible to valuation. There were non-cash contributions of data and professional services totaling $23,000 during the year for the benefit of the Registration Technology Program. These income and expense items are included in the financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Promises to give

Contributions and grants are recognized when the donor makes an unconditional promise to give to the Organization. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a contribution is given that carries a restriction, but the restriction lapses in the same year, those contributions are presented as without donor restriction. Contributions and grants receivable are due in 2024 except for $100,000 which is due in 2025. See Note F.

6 Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. For example, depreciation, amortization and the functional allocation of certain expenses are estimates. Accordingly, actual results could differ from these estimates.

8. Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and they are also exempt from state income taxes. The Internal Revenue Service has determined that they are a publicly supported organization.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Income taxes (continued)

Effective January 1, 2009 the Organization adopted the authoritative guidance related to accounting for uncertainty in income taxes. The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2023, and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. The tax returns for the years 2021 through 2023 are open to examination by federal and state authorities.

9. Cash

For financial statement purposes, the Organization considers cash and cash equivalents to include cash in banks.

10. 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that benefit multiple programs are accumulated monthly and allocated among the various programs based on the relative salaries allocated to each program.

NOTE C – PROPERTY AND EQUIPMENT

Depreciation of computer equipment is calculated on a straight line basis over 3 years. As of December 31, 2023, the total cost of the assets is $10,903, with accumulated depreciation of $10,903. No depreciation expense was recognized for the year ended December 31, 2023.

NOTE D – INTANGIBLE PROPERTY

Intangible assets consist of trademark and logo acquisition costs and website and portal development costs which totaled $884,923 as of December 31, 2023. The trademark and logo costs comprise $230,044 of the total and are being amortized over 20 years. The website development costs totaled $654,879 with amortization calculated on a straight line basis over 30 to 36 months. Amortization expense for 2023 is $58,512 and accumulated amortization as of December 31, 2023 is $843,456.

NOTES TO FINANCIAL STATEMENTS

Rock the Vote
December 31, 2023

NOTE E –RESTRICTIONS ON NET ASSETS

As of December 31, 2023, there were no net assets subject to donor restrictions.

NOTE F –CONTRIBUTIONS AND GRANTS RECEIVABLE

As of December 31, 2023 there were $351,132 in contributions and grants receivable which includes $251,132 that is due in 2024 and $100,000 that is due in 2025.

NOTE G – RELATED PARTY TRANSACTIONS

Rock the Vote Action Fund is an affiliated non-profit organization which is exempt from taxation under Section 501(c)(4) of the Internal Revenue Code. As of December 31, 2023, the Action Fund owed Rock the Vote $16,266.

NOTE H – COMMITMENTS

Office Lease

Effective December 1, 2022, the Organization entered into an agreement for month-to-month office space.

Mobile Text and Web Services

The Organization entered into an agreement which is effective from April 1, 2023 through March 31, 2024. Under the terms of the agreement, the Organization pays $4,972 per month. The minimum future obligation under his agreement is $14,916.

NOTE I – RETIREMENT PLAN

The Organization provides a Simple IRA retirement plan for all eligible employees. This allows employees to elect to have a portion of their payroll contributed to the retirement account on a pre-tax basis. The Organization then provides a matching contribution of up to 3% of participating employee payroll. During 2023 the Organization contributed $13,392 in matching retirement contributions.

NOTE J – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets available for general expenditure within one year of December 31, 2023:

Cash	$ 366,325
Contributions and grants receivable within one year	251,132
Financial assets available to meet cash needs for Expenditures within one year	$ 617,457

NOTE K – PRIOR PERIOD ADJUSTMENT

Management discovered a financial statement error where a grant pledged in 2022 with a contingency, totaling $150,000, was recognized in full as a grant without donor restrictions in 2022. Due to the contingency, $50,000 of the total should have been recognized as support and revenue in 2022 and $50,000 should be recognized as support and revenue in each year 2023 and 2024 when each years' contingency was removed.

The following summarizes the prior period adjustment referred to above:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at December 31, 2022, as previously reported	$ 869,537	$ 392,986	$ 1,262,523
Prior period adjustment for:			
Decrease in contributions receivable as of December 31, 2022	(100,000)	-	(100,000)
Net assets at December 31, 2022, as restated	$ 769,537	$ 392,986	$ 1,162,523

NOTE L – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 4, 2025 which is the date the financial statements were available to be issued.

NOTE M – CONCENTRATION OF RISK

The Organization maintains cash accounts in a commercial bank that exceeds the federally insured limit for such deposits. As of December 31, 2023 the Organization had an uninsured cash balance of $116,325.