
VOTINGWORKS

FINANCIAL STATEMENTS

December 31, 2024

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

VOTINGWORKS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
VotingWorks
San Francisco, California

Opinion

We have audited the accompanying financial statements of VotingWorks (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and 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 VotingWorks as of December 31, 2024, and the changes in 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 the Organization 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 the Organization'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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Kaneda CPAs LLP
Alameda, California
May 5, 2025

VOTINGWORKS

Statement of Financial Position December 31, 2024 (With Comparative Totals as of December 31, 2023)

	2024	2023
Assets		
Assets		
Cash and cash equivalents	\$ 1,149,355	\$ 3,206,811
Investments (Note 3)	7,086,373	7,231,593
Accounts receivable	437,529	7,118
Contributions receivable	25,000	15,306
Government receivable	1,188,451	1,133,444
Inventory	387,067	183,791
Prepaid expenses and deposits	153,154	123,285
Property, plant and equipment, net (Note 5)	64,316	40,482
Total Assets	<u>\$ 10,491,245</u>	<u>\$11,941,830</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 514,632	\$ 214,220
Deferred revenue	497,447	237,024
Product warranty accrual (Note 6)	46,209	37,252
Total Liabilities	<u>1,058,288</u>	<u>488,496</u>
Net Assets		
Without donor restrictions	9,407,957	11,441,437
With donor restrictions (Note 7)	25,000	11,897
Total Net Assets	<u>9,432,957</u>	<u>11,453,334</u>
Total Liabilities and Net Assets	<u>\$ 10,491,245</u>	<u>\$11,941,830</u>

See Notes to the Financial Statements

VOTINGWORKS

Statement of Activities For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
Support and Revenue				
Support				
Foundation and corporate	\$ 1,016,674	\$ 25,000	\$ 1,041,674	\$ 3,127,929
Individual	1,878,497		1,878,497	3,391,642
Total Support	<u>2,895,171</u>	<u>25,000</u>	<u>2,920,171</u>	<u>6,519,571</u>
Revenue				
Government research	2,521,895		2,521,895	3,830,744
Services and subscriptions (Note 8)	772,921		772,921	465,622
Hardware sales	206,031		206,031	2,500
Bank interest and other	10,461		10,461	32,849
Total Revenue	<u>3,511,308</u>	<u>-</u>	<u>3,511,308</u>	<u>4,331,715</u>
Investment activity, net (Note 3)	327,210		327,210	85,955
Employee retention tax credit	105,000		105,000	-
Support provided by expiring time and purpose restrictions	11,897	(11,897)	-	-
Total Support and Revenue	<u>6,850,586</u>	<u>13,103</u>	<u>6,863,689</u>	<u>10,937,241</u>
Expenses				
Program	7,921,239		7,921,239	5,123,031
Management and general	853,241		853,241	733,680
Fundraising	109,586		109,586	342,724
Total Expenses	<u>8,884,066</u>	<u>-</u>	<u>8,884,066</u>	<u>6,199,435</u>
Change in Net Assets	(2,033,480)	13,103	(2,020,377)	4,737,806
Net Assets, beginning of period	<u>11,441,437</u>	<u>11,897</u>	<u>11,453,334</u>	<u>6,715,528</u>
Net Assets, end of period	<u>\$ 9,407,957</u>	<u>\$ 25,000</u>	<u>\$ 9,432,957</u>	<u>\$ 11,453,334</u>

See Notes to the Financial Statements

VOTINGWORKS

Statement of Cash Flows For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (2,020,377)	\$ 4,737,806
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Investment activity, net	(327,210)	(85,955)
Depreciation expense	14,162	1,930
Change in assets and liabilities:		
Accounts receivable	(430,411)	175,210
Contributions receivable	(9,694)	187,668
Government receivable	(55,007)	(360,206)
Inventory	(203,276)	(86,169)
Prepaid expenses and deposits	(29,869)	(70,817)
Accounts payable and accrued expenses	300,412	47,310
Deferred revenue	260,423	28,591
Product warranty accrual	8,957	37,252
Net cash provided (used) by operating activities	<u>(2,491,890)</u>	<u>4,612,620</u>
Cash flows from investing activities:		
Purchases of property and equipment	(37,996)	(42,412)
Purchase of investments	(13,405,125)	(13,234,488)
Sale of investments	13,877,555	6,846,965
Net cash provided (used) by investing activities	<u>434,434</u>	<u>(6,429,935)</u>
Net change in cash and cash equivalents	(2,057,456)	(1,817,315)
Cash and cash equivalents, beginning of period	<u>3,206,811</u>	<u>5,024,126</u>
Cash and cash equivalents, end of period	<u>\$ 1,149,355</u>	<u>\$ 3,206,811</u>
Supplemental information:		
Donated stock	<u>\$ -</u>	<u>\$ 426,736</u>

See Notes to the Financial Statements

VOTINGWORKS

Statement of Functional Expenses For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

	Program			Total	Management		Total	
	Machine	DARPA	Arlo	Program	and General	Fundraising	2024	2023
Salaries	\$ 2,488,632	\$ 332,143	\$ 347,485	\$ 3,168,260	\$ 472,376	\$ 60,076	\$ 3,700,712	\$ 3,325,323
Retirement contributions	89,822	11,988	12,542	114,352	17,050	2,168	133,570	123,881
Employee benefits	257,180	34,324	35,910	327,414	48,816	6,208	382,438	332,544
Payroll taxes	173,231	23,120	24,188	220,539	32,882	4,182	257,603	225,574
Total Personnel	3,008,865	401,575	420,125	3,830,565	571,124	72,634	4,474,323	4,007,322
Professional fees	1,155			1,155	127,766	25,000	153,921	170,361
Other fees for service	1,834,525	272,223	33,397	2,140,145	23,792	508	2,164,445	970,662
Advertising and promotion	34,853	2	180	35,035	11,173	1,489	47,697	31,787
Supplies and office expenses	119,920	327	590	120,837	7,748	29	128,614	33,533
Occupancy	212,484	38	313	212,835	15,056	3	227,894	147,475
Travel and meals	261,690	4,365	29,483	295,538	5,149	9,161	309,848	229,579
Conferences and meetings	17,963	1,220	5,679	24,862	10,050	-	34,912	39,561
Insurance	8,523			8,523	40,720	-	49,243	12,838
Dues, licenses, service fees	41,604	461	48,735	90,800	10,286	762	101,848	136,831
Equipment	44,926	216	215	45,357	20,009	-	65,366	85,521
Equipment and supplies - R&D	631,194	3,709		634,903	-	-	634,903	282,818
Depreciation	14,162			14,162	-	-	14,162	1,930
Cost of goods sold	193,047			193,047	-	-	193,047	-
Warranty provision	40,764			40,764	-	-	40,764	40,764
Inventory obsolescence	232,090			232,090	-	-	232,090	-
Other	594	23	4	621	10,368	-	10,989	8,453
Total Expenses	\$ 6,698,359	\$ 684,159	\$ 538,721	\$ 7,921,239	\$ 853,241	\$ 109,586	\$ 8,884,066	\$ 6,199,435

See Notes to the Financial Statements

VOTINGWORKS

Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

NOTE 1: NATURE OF ACTIVITIES

VotingWorks (the Organization) is a California nonprofit public benefit corporation founded in 2018 whose mission is to make election technology everyone can trust through transparency, simplicity, and demonstrable security.

The Organization's products and services include:

Voting System

VotingWorks makes the only open-source vote casting and tabulation system in use in the United States. The VotingWorks system:

- always produces a paper ballot
- is designed to be particularly simple to use by election administrators and voters
- provides modern security features that defend against modifications to the software
- is fully open-source, so that everyone can see how the voting system works.

Risk-Limiting Audits

VotingWorks's post-election auditing software, Arlo, is the only production-ready solution that lets a state and its counties coordinate the workflow of a risk-limiting audit, the gold standard in election tabulation audits. Post-election audits are critical to ensure that the tabulation equipment is accurately counting paper ballots. Risk-limiting audits protect against fraud, configuration errors, equipment malfunction, or any other situation that prevents the computerized tabulator from accurately interpreting and counting ballots as voters intended.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor restrictions are perpetual in nature. There were no restrictions of this nature as of December 31, 2024.

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Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Contributions Receivable

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at December 31, 2024. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Accounts Receivable

Accounts receivable are unsecured non-interest bearing trade receivables. The Organization uses historical loss information adjusted for management's expectations about current and future economic conditions and the aging of receivables relative to expected payment dates as the basis to determine expected credit losses. If amounts become uncollectible, they are charged to the valuation allowance for credit losses if any, with any excess amounts charged to expense in the period in which that determination is made. The Organization considers all accounts receivable to be fully collectible at December 31, 2024. Accordingly, no allowance for doubtful accounts was deemed necessary. The Organization expects to collect all accounts receivable within one year.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. If the Organization's

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Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless related to a donor specified restriction for a particular purpose or future period.

Hardware Sales

Hardware revenue consists of revenue earned from the sales of its voting equipment.

Services and Subscriptions

Hardware Support Subscription

Hardware support subscription revenue consists of revenue earned from hardware support contracts that the Organization sells to customers who buy its voting equipment. These contracts provide customers with support for the hardware on an annual basis. The Organization recognizes subscription revenue over the term of the service agreement.

Software Tool Subscription

Subscription revenue consists of annual service contracts for hosting and support of its risk limiting audit software tool, Arlo. The Organization recognizes subscription revenue over the term of the service agreement.

Software Support

Software support revenue consists of ad hoc support that the Organization provides to Arlo customers for customization of the tool, in person training and support, or other support. The Organization recognizes revenue for support work overtime as the related work is performed.

Government Research

The Organization entered into an agreement with a government agency in 2022 to perform research on voting systems. The Organization recognizes revenue for this research over time as the related work is performed.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of December 31, 2024 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

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Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only 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. There were no contributed services that met the criteria for recognition for the year ended December 31, 2024.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash held for investment purposes is classified with investments.

Inventory

Inventory consisted of voting machines and related components held for sale. The Organization values inventory based on the lower of cost or net realizable value.

Cost of Goods Sold

Cost of goods sold consists of the costs of inventory sold as well as shipping fees (inbound and outbound).

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment as follows:

Furniture and equipment	5 years
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Deferred Revenue

Deferred revenue represents service and subscription revenue received in advance of related performance obligations which have not yet been completely fulfilled.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

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Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

Salaries and wages, benefits, and payroll taxes are allocated based on an estimate of time spent by staff person in each functional area.

Occupancy, depreciation, and amortization, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.

Office expenses and supplies, insurance, and other expenses that cannot be directly identified are allocated on the basis of staff allocations for program and supporting activities.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities. Advertising costs are expensed as incurred.

All expenses and net losses are reported as decreases in net assets without donor restrictions.

Prior Year Summarized Information

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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of May 5, 2025, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: INVESTMENTS

Investments consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,852,458	\$ 6,752,593
U.S. Treasuries	<u>2,233,915</u>	<u>479,000</u>
Total	<u>\$ 7,086,373</u>	<u>\$ 7,231,593</u>

Investment Activity

Investment activity consisted of the following during the years ended December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 142,805	\$ 60,095
Gains and losses	<u>184,405</u>	<u>25,860</u>
Total	<u>\$ 327,210</u>	<u>\$ 85,955</u>

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Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

NOTE 4: FAIR VALUE MEASUREMENTS

The Organization determines the fair value of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability.

Fair values of assets measured on recurring basis included U.S. Treasuries which were classified as Level 2 as of December 31, 2024.

US Treasuries - Based on the values shown on the Organization's investment statements on the last trading day of the year. The Organization's broker may report such values based on pricing service inputs including inputs from third parties.

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 79,262	\$ 42,412
Less accumulated depreciation	<u>(14,946)</u>	<u>(1,930)</u>
Total	<u>\$ 64,316</u>	<u>\$ 40,482</u>

NOTE 6: PRODUCT WARRANTY ACCRUAL

The Organization sells computer hardware products and provides warranties for various periods depending on the product type and customer agreement, most commonly a 5-year hardware warranty. The warranty liability is estimated based on historical warranty claim data, recent trends, and management's judgment regarding possible future repair or replacement costs.

Opening balance	\$ 37,252
Adjustments and provisions made	44,276
Claims and settlements	<u>(35,319)</u>
Ending balance	<u>\$ 46,209</u>

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for future use totaling \$25,000 and \$11,897 as of December 31, 2024 and 2023, respectively.

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Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

NOTE 8: SERVICES AND SUBSCRIPTIONS REVENUE

Services and subscription revenue consisted of the following during the years ended December 31:

	<u>2024</u>	<u>2023</u>
Arlo services	\$ 569,422	\$ 427,244
Software support services	115,000	-
Machine TRUST services	51,946	38,378
Machine support services	6,500	-
Ballot programming and printing services	<u>30,053</u>	<u>-</u>
Total	<u>\$ 772,921</u>	<u>\$ 465,622</u>

NOTE 9: CONTINGENCIES

Grant Awards

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

System Upgrades

As part of its mission the Organization may elect to upgrade end-user devices to later versions of its product offering. No allowance for this has been recorded in the books given the lack of a reasonable estimate and uncertainties regarding this contingency but the Organization may incur costs related to past sales in future periods through such upgrades.

NOTE 10: CONCENTRATIONS

Support and Revenue Concentration

During the year ended December 31, 2024, 45% of the Organization's support and revenue came from two funders. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

Accounts and Contributions Receivable

At December 31, 2024 approximately 77% of accounts and contributions receivable were due from two sources.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. As of December 31, 2024, the Organization had approximately \$895,000 in excess of federally insured limits.

NOTE 11: OPERATING LEASES

During the year ended December 31, 2024, the Organization was party to 4 short-term operating lease agreements for office space which it elects to apply the short-term lease measurement and recognition exemption. Short-term lease expenses totaled \$178,461 for the year ended December 31, 2024.

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Notes to the Financial Statements For the Year Ended December 31, 2024 (With Comparative Totals for the Year Ended December 31, 2023)

NOTE 12: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 are:

Cash and cash equivalents	\$ 1,149,355
Investments	7,086,373
Accounts receivable	437,529
Contributions receivable	25,000
Government receivable	<u>1,188,451</u>
Total	<u>\$ 9,886,708</u>

As part of the Organization's liquidity management plan, the Organization maintains funds in excess of daily requirements in cash and cash equivalents or short-term treasury bills.