

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022**

THE VOTER PARTICIPATION CENTER

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Voter Participation Center
Washington, D.C.

Opinion

We have audited the accompanying financial statements of The Voter Participation Center (VPC), which comprise the statement of financial position as of December 31, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VPC as of December 31, 2023, 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.

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 VPC 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 VPC'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.

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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 VPC'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 VPC'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 VPC's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 2, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



April 25, 2024

THE VOTER PARTICIPATION CENTER
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 14,222,965	\$ 5,307,409
Investments	4,960,662	4,316,966
Contributions receivable	2,201,614	1,346,035
Due from related entity	2,140,925	2,564,427
Prepaid expenses	<u>357,030</u>	<u>398,493</u>
Total current assets	<u>23,883,196</u>	<u>13,933,330</u>
FIXED ASSETS		
Computer equipment	52,470	64,979
Less: Accumulated depreciation	<u>(50,197)</u>	<u>(45,940)</u>
Net fixed assets	<u>2,273</u>	<u>19,039</u>
OTHER NONCURRENT ASSETS		
Deposit	44,455	44,455
Contributions receivable, net of current portion	250,000	250,000
Right-of-use asset, net	<u>4,183,661</u>	<u>4,707,640</u>
Total other noncurrent assets	<u>4,478,116</u>	<u>5,002,095</u>
TOTAL ASSETS	<u>\$ 28,363,585</u>	<u>\$ 18,954,464</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 233,456	\$ 572,533
Operating lease liability	<u>501,346</u>	<u>480,354</u>
Total current liabilities	<u>734,802</u>	<u>1,052,887</u>
LONG-TERM LIABILITIES		
Operating lease liability, net of current portion	<u>3,814,818</u>	<u>4,316,164</u>
Total liabilities	<u>4,549,620</u>	<u>5,369,051</u>
NET ASSETS		
Without donor restrictions	22,863,965	12,085,413
With donor restrictions	<u>950,000</u>	<u>1,500,000</u>
Total net assets	<u>23,813,965</u>	<u>13,585,413</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 28,363,585</u>	<u>\$ 18,954,464</u>

See accompanying notes to financial statements.

THE VOTER PARTICIPATION CENTER

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Grants and contributions	\$ 21,918,390	\$ 700,000	\$ 22,618,390	\$ 37,352,357
Investment return, net	677,613	-	677,613	(646,401)
Miscellaneous revenue	6,167	-	6,167	-
Net assets released from donor restrictions	<u>1,250,000</u>	<u>(1,250,000)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>23,852,170</u>	<u>(550,000)</u>	<u>23,302,170</u>	<u>36,705,956</u>
EXPENSES				
Program Services	<u>9,992,618</u>	<u>-</u>	<u>9,992,618</u>	<u>31,388,915</u>
Supporting Services:				
Management and General	1,479,495	-	1,479,495	1,721,347
Fundraising	<u>1,595,233</u>	<u>-</u>	<u>1,595,233</u>	<u>1,926,638</u>
Total supporting services	<u>3,074,728</u>	<u>-</u>	<u>3,074,728</u>	<u>3,647,985</u>
Total expenses	<u>13,067,346</u>	<u>-</u>	<u>13,067,346</u>	<u>35,036,900</u>
Change in net assets before other item	10,784,824	(550,000)	10,234,824	1,669,056
OTHER ITEM				
Loss on disposal of fixed assets	<u>(6,272)</u>	<u>-</u>	<u>(6,272)</u>	<u>(58,498)</u>
Change in net assets	10,778,552	(550,000)	10,228,552	1,610,558
Net assets at beginning of year	<u>12,085,413</u>	<u>1,500,000</u>	<u>13,585,413</u>	<u>11,974,855</u>
NET ASSETS AT END OF YEAR	<u>\$ 22,863,965</u>	<u>\$ 950,000</u>	<u>\$ 23,813,965</u>	<u>\$ 13,585,413</u>

THE VOTER PARTICIPATION CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023				2022	
	Program Services	Supporting Services			Total Expenses	Total Expenses
		Management and General	Fundraising	Total Supporting Services		
Salaries and benefits	\$ 2,738,794	\$ 644,006	\$ 472,276	\$ 1,116,282	\$ 3,855,076	\$ 3,272,972
Payroll taxes	176,959	37,019	27,879	64,898	241,857	222,564
Program fees	2,725,892	-	-	-	2,725,892	23,816,224
Postage and delivery	1,907,356	-	-	-	1,907,356	1,836,022
Professional fees	270,332	498,820	948,578	1,447,398	1,717,730	2,718,763
Digital media buy	1,301,260	-	-	-	1,301,260	1,638,485
Occupancy	238,333	131,083	107,250	238,333	476,666	427,268
Lists	351,336	-	-	-	351,336	502,354
Dues and subscriptions	101,718	23,758	17,448	41,206	142,924	77,910
Travel, conferences and meetings	92,432	21,589	15,854	37,443	129,875	115,124
Office supplies and expenses	34,670	13,437	5,948	19,385	54,055	138,693
Telephone	53,536	-	-	-	53,536	24,351
Insurance	-	34,950	-	34,950	34,950	29,937
Bank fees	-	32,355	-	32,355	32,355	57,856
Website	-	29,099	-	29,099	29,099	133,387
Depreciation	-	10,494	-	10,494	10,494	12,996
Printing and copying	-	2,885	-	2,885	2,885	6,743
Advertising and promotion	-	-	-	-	-	5,000
Bad debt	-	-	-	-	-	251
Subtotal before other item	9,992,618	1,479,495	1,595,233	3,074,728	13,067,346	35,036,900
Loss on disposal of fixed assets	-	6,272	-	6,272	6,272	58,498
TOTAL	\$ 9,992,618	\$ 1,485,767	\$ 1,595,233	\$ 3,081,000	\$ 13,073,618	\$ 35,095,398

See accompanying notes to financial statements.

THE VOTER PARTICIPATION CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 10,228,552	\$ 1,610,558
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,494	12,996
Receipt of contributed securities	(545,982)	(4,676,749)
Proceeds from the sale of contributed securities	570,785	5,029,287
Net realized and unrealized (gain) loss in investments	(612,422)	700,305
Loss on disposal of property and equipment	6,272	58,498
Amortization of right-to-use asset	523,979	517,035
(Increase) decrease in:		
Contributions receivable	(855,579)	(885,178)
Due from related entity	423,502	(903,606)
Prepaid expenses	41,463	102,197
Operating lease liability	(480,354)	(459,992)
Decrease in:		
Accounts payable and accrued liabilities	<u>(339,077)</u>	<u>(366,374)</u>
Net cash provided by operating activities	<u>8,971,633</u>	<u>738,977</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of investments	(98,818)	(83,302)
Proceeds from sale of investments	<u>42,741</u>	<u>181,034</u>
Net cash (used) provided by financing activities	<u>(56,077)</u>	<u>97,732</u>
Net increase in cash and cash equivalents	8,915,556	836,709
Cash and cash equivalents at beginning of year	<u>5,307,409</u>	<u>4,470,700</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 14,222,965</u>	<u>\$ 5,307,409</u>
SCHEDULE OF NONCASH TRANSACTIONS:		
Right-of-Use Asset	<u>\$ -</u>	<u>\$ 5,224,675</u>
Operating Lease Liability	<u>\$ -</u>	<u>\$ 5,256,510</u>

THE VOTER PARTICIPATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Voter Participation Center (VPC) is a non-profit organization, incorporated and located in Washington, D.C. VPC conducts voter registration and voter mobilization programs. VPC encourages participation in the democratic process, particularly among young people, people of color, and unmarried women. VPC's primary source of revenue is from individuals and foundation/trust grants.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

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 VPC's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Cash and cash equivalents -

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

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the Statement of Activities and Change in Net Assets. Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. VPC's policy is to liquidate all gifts of investments as soon as possible after the gift.

THE VOTER PARTICIPATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

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

Contributions receivable -

Contributions receivable include unconditional promises to give that are expected to be collected in the future year. Contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. Discount on long-term is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Management did not record a discount on the noncurrent portion of contributions receivable as they deemed it immaterial to the financial statements as a whole. All receivables are considered by management to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2023 totaled \$10,494.

Income taxes -

VPC is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. VPC is not a private foundation.

Grants and contributions -

The majority of VPC's revenue is received through grants and contributions. Grants and contributions are recognized in the appropriate category of net assets in the period received. VPC performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, VPC had no refundable advances as of December 31, 2023.

In addition, VPC may obtain funding source agreements related to conditional contributions, which will be received in future years. However, VPC had no conditional contributions to be received in future years as of December 31, 2023.

THE VOTER PARTICIPATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

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

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. Expenses directly attributed to a specific functional area of VPC are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

Risks and uncertainties -

VPC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications relates to the presentation of revenues and support in the Statement of Activities. The reclassifications had no effect on the previously reported changes in net assets.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, VPC has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market VPC has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

THE VOTER PARTICIPATION CENTER

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by VPC are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by VPC are deemed to be actively traded.
- *Money Market Funds* - The money market fund is an open-end funds that is registered with the Securities and Exchange Commission (SEC) and is deemed to be actively traded.
- *Common Stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Corporate Bonds, U.S. Treasury and Agency Bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2023.

	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds	\$ 1,030,594	\$ -	\$ -	\$ 1,030,594
Money market funds	123,089	-	-	123,089
Common stocks	1,608,585	-	-	1,608,585
Corporate bonds	-	1,246,572	-	1,246,572
U.S. treasury and agency bonds	-	951,822	-	951,822
TOTAL INVESTMENTS	\$ 2,762,268	\$ 2,198,394	\$ -	\$ 4,960,662

Included in investment return are the following for the year ended December 31, 2023:

Net realized and unrealized gain	\$ 612,422
Interest and dividends, net	98,715
Less: Investment fees	(33,524)
TOTAL INVESTMENT RETURN, NET	\$ 677,613

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31, 2023:

Time Restricted	\$ 950,000
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The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through expiration of time restrictions) which satisfied the restricted purposes specified by the donors:

Expiration of Time Restrictions	\$ 1,250,000
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THE VOTER PARTICIPATION CENTER

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

4. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 14,222,965
Investments	4,960,662
Contributions receivable	2,451,614
Due from related entity	2,140,925
Less: Donor restricted funds	<u>(250,000)</u>

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 23,526,166</u>
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VPC has a policy to structure its financial assets to be available and liquid as its obligations become due.

5. LEASE COMMITMENT

VPC follows FASB ASC 842 for leases. VPC has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. VPC has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

In February 2019, VPC entered into a 135-month lease for office space. Base rent is \$293,813 per year, plus a proportionate share of expenses, increasing by a factor of 2.5% per year. The lease terms include 50% abatement of base rent for the first 18 months.

In March 2021, VPC amended the lease agreement, agreeing to surrender the office space on the 9th floor and move into office space on the 7th floor starting July 1, 2021, and extending the termination date of the lease to June 30, 2031. The present value of all future rentals was calculated using an incremental borrowing rate of 1.48% as the discount rate.

For the year ended December 31, 2023, total lease cost was \$459,288 and is included in occupancy in the Statement of Functional Expenses. Total cash paid was \$548,118 for the office lease.

The following is a schedule of the future minimum lease payments due under the operating leases, net of imputed interest:

Year Ending December 31,

2024	\$ 561,859
2025	575,923
2026	590,310
2027	605,075
2028	620,216
Thereafter	<u>1,617,197</u>
	4,570,580
Less: Imputed interest	<u>(254,416)</u>
	4,316,164
Less: Current portion	<u>(501,346)</u>
LONG-TERM PORTION	<u>\$ 3,814,818</u>

THE VOTER PARTICIPATION CENTER

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

6. RELATED ENTITY

VPC and the Center for Voter Information (CVI) share an office, other administrative expenses, staff and two members of the Board of Directors, including the President. The Boards of Directors do not exercise significant influence over the activities of the other organization; accordingly, the financial statements of CVI and VPC have not been consolidated. During the year ended December 31, 2023, VPC and CVI incurred shared expenses of approximately \$1,513,862. As of year-end, VPC had a receivable of \$2,140,925 due from CVI for shared expenses.

7. RETIREMENT PLAN

In November 2009, VPC established a 403(b) retirement plan for its employees. The Plan covers all full-time employees with one-year of eligible experience. Effective June 1, 2021, VPC restated the Plan allowing immediate eligibility to participate in the Plan and permits matching and non-elective employer contributions. For the year ended December 31, 2023, \$111,863 of employer contributions were sent to the Plan, and are included in salaries and benefits in the accompanying Statement of Functional Expenses.

8. SUBSEQUENT EVENTS

In preparing these financial statements, VPC has evaluated events and transactions for potential recognition or disclosure through April 25, 2024, the date the financial statements were issued.