

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

INDIVISIBLE PROJECT

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Indivisible Project
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Indivisible Project (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 the Organization as of December 31, 2023 and 2022, and the changes in its net asset and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 audits. 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.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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.

A handwritten signature in black ink that reads "Gelman Rosenberg & Freedman". The signature is fluid and cursive, with "Gelman" and "Rosenberg" on the first line and "& Freedman" on the second line.

July 23, 2024

INDIVISIBLE PROJECT
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

| | ASSETS | |
|--|----------------------------|----------------------------|
| | 2023 | 2022 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 3,776,051 | \$ 2,585,482 |
| Grants receivable | - | 2,100,618 |
| Other receivable | 7,428 | 16,401 |
| Due from Indivisible Civics | 9,680 | - |
| Preimbursement to Indivisible Action Arizona | 9,371 | - |
| Preimbursement to Indivisible Action | 176,218 | 429,179 |
| Prepaid expenses | <u>177,601</u> | <u>165,481</u> |
| Total current assets | <u>4,156,349</u> | <u>5,297,161</u> |
| FIXED ASSETS, NET | <u>-</u> | <u>34,344</u> |
| NONCURRENT ASSETS | | |
| Investments | 2,056,368 | 1,751,775 |
| Other assets | <u>5,600</u> | <u>5,600</u> |
| Total noncurrent assets | <u>2,061,968</u> | <u>1,757,375</u> |
| TOTAL ASSETS | <u>\$ 6,218,317</u> | <u>\$ 7,088,880</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 567,629 | \$ 709,385 |
| Due to Indivisible Civics | <u>-</u> | <u>817,693</u> |
| Total liabilities | <u>567,629</u> | <u>1,527,078</u> |
| NET ASSETS | | |
| Without donor restrictions | 3,382,688 | 5,071,867 |
| With donor restrictions | <u>2,268,000</u> | <u>489,935</u> |
| Total net assets | <u>5,650,688</u> | <u>5,561,802</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 6,218,317</u> | <u>\$ 7,088,880</u> |

INDIVISIBLE PROJECT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---|------------------------------------|----------------------------|
| SUPPORT AND REVENUE | | | |
| Grants and contributions | \$ 4,886,579 | \$ 3,000,000 | \$ 7,886,579 |
| Net investment return | 303,696 | - | 303,696 |
| Management and administrative fee income | 4,634,090 | - | 4,634,090 |
| Other revenue | 9,021 | - | 9,021 |
| Net assets released from donor restrictions | <u>1,221,935</u> | <u>(1,221,935)</u> | <u>-</u> |
| Total support and revenue | <u>11,055,321</u> | <u>1,778,065</u> | <u>12,833,386</u> |
| EXPENSES | | | |
| Program Services: | | | |
| Political | 297,139 | - | 297,139 |
| Organizing | 3,643,717 | - | 3,643,717 |
| Policy | 356,389 | - | 356,389 |
| Communications | 1,733,156 | - | 1,733,156 |
| Data | 1,175,074 | - | 1,175,074 |
| Distributed Fundraising | 671,648 | - | 671,648 |
| Campaign Support | 1,567,243 | - | 1,567,243 |
| Battlegrounds | <u>299,011</u> | <u>-</u> | <u>299,011</u> |
| Total program services | <u>9,743,377</u> | <u>-</u> | <u>9,743,377</u> |
| Supporting Services: | | | |
| Management and General | 2,080,711 | - | 2,080,711 |
| Fundraising | <u>920,412</u> | <u>-</u> | <u>920,412</u> |
| Total supporting services | <u>3,001,123</u> | <u>-</u> | <u>3,001,123</u> |
| Total expenses | <u>12,744,500</u> | <u>-</u> | <u>12,744,500</u> |
| Changes in net assets | (1,689,179) | 1,778,065 | 88,886 |
| Net assets at beginning of year | <u>5,071,867</u> | <u>489,935</u> | <u>5,561,802</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 3,382,688</u> | <u>\$ 2,268,000</u> | <u>\$ 5,650,688</u> |

INDIVISIBLE PROJECT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---|------------------------------------|----------------------------|
| SUPPORT AND REVENUE | | | |
| Grants and contributions | \$ 6,223,680 | \$ 865,000 | \$ 7,088,680 |
| Net investment return | (448,601) | - | (448,601) |
| Management and administrative fee income | 4,667,033 | - | 4,667,033 |
| Other revenue | 15,795 | - | 15,795 |
| Net assets released from donor restrictions | <u>750,065</u> | <u>(750,065)</u> | <u>-</u> |
| Total support and revenue | <u>11,207,972</u> | <u>114,935</u> | <u>11,322,907</u> |
| EXPENSES | | | |
| Program Services: | | | |
| Political | 23,693 | - | 23,693 |
| Organizing | 3,442,661 | - | 3,442,661 |
| Policy | 895,911 | - | 895,911 |
| Communications | 1,822,970 | - | 1,822,970 |
| Data | 992,754 | - | 992,754 |
| Distributed Fundraising | 830,375 | - | 830,375 |
| Campaign Support | <u>734,250</u> | <u>-</u> | <u>734,250</u> |
| Total program services | <u>8,742,614</u> | <u>-</u> | <u>8,742,614</u> |
| Supporting Services: | | | |
| Management and General | 1,864,583 | - | 1,864,583 |
| Development | <u>931,130</u> | <u>-</u> | <u>931,130</u> |
| Total supporting services | <u>2,795,713</u> | <u>-</u> | <u>2,795,713</u> |
| Total expenses | <u>11,538,327</u> | <u>-</u> | <u>11,538,327</u> |
| Changes in net assets | (330,355) | 114,935 | (215,420) |
| Net assets at beginning of year | <u>5,402,222</u> | <u>375,000</u> | <u>5,777,222</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 5,071,867</u> | <u>\$ 489,935</u> | <u>\$ 5,561,802</u> |

INDIVISIBLE PROJECT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Program Services | | | | | | |
|------------------------------|--------------------------|----------------------------|--------------------------|----------------------------|----------------------------|--------------------------|----------------------------|
| | Political | Organizing | Policy | Communications | Data | Distributed Fundraising | Campaign Support |
| Salaries and Benefits | | | | | | | |
| Salaries | \$ 156,512 | \$ 2,228,808 | \$ 242,877 | \$ 952,624 | \$ 666,480 | \$ 127,911 | \$ 356,148 |
| Fringe benefits | 68,445 | 880,844 | 74,159 | 305,987 | 196,956 | 31,080 | 141,185 |
| Total salaries and benefits | <u>224,957</u> | <u>3,109,652</u> | <u>317,036</u> | <u>1,258,611</u> | <u>863,436</u> | <u>158,991</u> | <u>497,333</u> |
| Direct Expenses | | | | | | | |
| Consultants | 3,989 | 12,330 | 1,186 | 61,012 | 121,787 | 2,236 | 5,217 |
| List acquisition | - | - | - | 45 | - | - | - |
| Media and public engagement | - | 7,844 | 483 | 103,527 | 88,374 | - | 2,886 |
| Accounting and audit | - | - | - | - | - | - | - |
| Legal fees | 1,106 | 13,561 | 1,326 | 6,451 | 4,373 | 2,500 | 5,833 |
| Meetings and travel | 14,419 | 172,435 | 3,857 | 14,190 | 22,071 | 3,907 | 19,882 |
| Facilities | 2,813 | 34,493 | 3,374 | 50,750 | 11,124 | 6,358 | 15,561 |
| Software and equipment | 904 | 28,361 | 26,604 | 217,011 | 55,687 | 1,901 | 7,387 |
| Printing and supplies | 9,477 | 13,134 | 302 | 1,510 | 1,018 | 570 | 2,442 |
| Grant assistance | 2 | 227,060 | 2 | 9 | 6 | 457,936 | 1,000,008 |
| Other expenses | <u>39,472</u> | <u>24,847</u> | <u>2,219</u> | <u>20,040</u> | <u>7,198</u> | <u>37,249</u> | <u>10,694</u> |
| Total direct expenses | <u>72,182</u> | <u>534,065</u> | <u>39,353</u> | <u>474,545</u> | <u>311,638</u> | <u>512,657</u> | <u>1,069,910</u> |
| TOTAL EXPENSES | <u>\$ 297,139</u> | <u>\$ 3,643,717</u> | <u>\$ 356,389</u> | <u>\$ 1,733,156</u> | <u>\$ 1,175,074</u> | <u>\$ 671,648</u> | <u>\$ 1,567,243</u> |

See accompanying notes to financial statements.

INDIVISIBLE PROJECT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Program Services (Continued) | | Supporting Services | | | Total Expenses |
|------------------------------|------------------------------|------------------------|------------------------|-------------------|---------------------------|----------------------|
| | Battlegrounds | Total Program Services | Management and General | | Total Supporting Services | |
| | | | Fundraising | | | |
| Salaries and Benefits | | | | | | |
| Salaries | \$ 206,957 | \$ 4,938,317 | \$ 1,037,953 | \$ 353,478 | \$ 1,391,431 | \$ 6,329,748 |
| Fringe benefits | 61,305 | 1,759,961 | 405,027 | 101,857 | 506,884 | 2,266,845 |
| Total salaries and benefits | <u>268,262</u> | <u>6,698,278</u> | <u>1,442,980</u> | <u>455,335</u> | <u>1,898,315</u> | <u>8,596,593</u> |
| Direct Expenses | | | | | | |
| Consultants | 10,632 | 218,389 | 52,082 | 377,024 | 429,106 | 647,495 |
| List acquisition | - | 45 | - | - | - | 45 |
| Media and public engagement | 4,588 | 207,702 | - | - | - | 207,702 |
| Accounting and audit | - | - | 83,491 | - | 83,491 | 83,491 |
| Legal fees | 1,113 | 36,263 | 17,161 | 3,426 | 20,587 | 56,850 |
| Meetings and travel | 6,723 | 257,484 | 34,938 | 12,034 | 46,972 | 304,456 |
| Facilities | 2,831 | 127,304 | 43,649 | 8,713 | 52,362 | 179,666 |
| Software and equipment | 956 | 338,811 | 227,854 | 20,771 | 248,625 | 587,436 |
| Printing and supplies | 1,539 | 29,992 | 3,910 | 25,963 | 29,873 | 59,865 |
| Grant assistance | 519 | 1,685,542 | 24 | 305 | 329 | 1,685,871 |
| Other expenses | <u>1,848</u> | <u>143,567</u> | <u>174,622</u> | <u>16,841</u> | <u>191,463</u> | <u>335,030</u> |
| Total direct expenses | <u>30,749</u> | <u>3,045,099</u> | <u>637,731</u> | <u>465,077</u> | <u>1,102,808</u> | <u>4,147,907</u> |
| TOTAL EXPENSES | \$ 299,011 | \$ 9,743,377 | \$ 2,080,711 | \$ 920,412 | \$ 3,001,123 | \$ 12,744,500 |

INDIVISIBLE PROJECT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Program Services | | | | | | Distributed Fundraising |
|------------------------------|------------------|---------------------|-------------------|---------------------|-------------------|-------------------|-------------------------|
| | Political | Organizing | Policy | Communications | Data | | |
| Salaries and Benefits | | | | | | | |
| Salaries | \$ 12,514 | \$ 2,013,534 | \$ 587,284 | \$ 800,601 | \$ 529,993 | \$ 130,781 | |
| Fringe benefits | 5,351 | 832,080 | 184,369 | 267,927 | 172,235 | 38,630 | |
| Total salaries and benefits | <u>17,865</u> | <u>2,845,614</u> | <u>771,653</u> | <u>1,068,528</u> | <u>702,228</u> | <u>169,411</u> | |
| Direct Expenses | | | | | | | |
| Consultants | 172 | 113,454 | 47,993 | 169,362 | 18,196 | 22,125 | |
| List acquisition | - | - | - | 12,163 | - | - | |
| Media and public engagement | - | 1,399 | 3,124 | 203,086 | 115,621 | 54,000 | |
| Accounting and audit | - | - | - | - | - | - | |
| Legal fees | 112 | 16,992 | 4,506 | 7,812 | 4,580 | 4,200 | |
| Meetings and travel | 4,840 | 123,840 | 14,603 | 13,840 | 18,002 | 3,498 | |
| Facilities | 233 | 48,061 | 9,549 | 53,524 | 9,552 | 5,219 | |
| Software and equipment | 71 | 40,100 | 30,138 | 270,545 | 115,437 | 1,715 | |
| Printing and supplies | 123 | 19,620 | 143 | 3,346 | 146 | 86 | |
| Grant assistance | 38 | 196,562 | 7,011 | 2,619 | 1,535 | 528,946 | |
| Other expenses | 239 | 37,019 | 7,191 | 18,145 | 7,457 | 41,175 | |
| Total direct expenses | <u>5,828</u> | <u>597,047</u> | <u>124,258</u> | <u>754,442</u> | <u>290,526</u> | <u>660,964</u> | |
| TOTAL EXPENSES | \$ 23,693 | \$ 3,442,661 | \$ 895,911 | \$ 1,822,970 | \$ 992,754 | \$ 830,375 | |

See accompanying notes to financial statements.

INDIVISIBLE PROJECT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Program Services (Continued) | | Supporting Services | | | Total Expenses |
|------------------------------------|------------------------------|------------------------|------------------------|-------------------|---------------------------|----------------------|
| | Campaign Support | Total Program Services | Management and General | Development | Total Supporting Services | |
| Salaries and Benefits | | | | | | |
| Salaries | \$ 47,668 | \$ 4,122,375 | \$ 913,970 | \$ 461,190 | \$ 1,375,160 | \$ 5,497,535 |
| Fringe benefits | 14,738 | 1,515,330 | 333,430 | 145,362 | 478,792 | 1,994,122 |
| Total salaries and benefits | 62,406 | 5,637,705 | 1,247,400 | 606,552 | 1,853,952 | 7,491,657 |
| Direct Expenses | | | | | | |
| Consultants | 3,286 | 374,588 | 60,791 | 97,052 | 157,843 | 532,431 |
| List acquisition | - | 12,163 | - | - | - | 12,163 |
| Media and public engagement | - | 377,230 | - | - | - | 377,230 |
| Accounting and audit | - | - | 90,243 | - | 90,243 | 90,243 |
| Legal fees | 2,151 | 40,353 | 19,632 | 4,155 | 23,787 | 64,140 |
| Meetings and travel | 2,787 | 181,410 | 36,359 | 12,718 | 49,077 | 230,487 |
| Facilities | 4,029 | 130,167 | 37,858 | 9,909 | 47,767 | 177,934 |
| Software and equipment | 2,020 | 460,026 | 161,254 | 21,305 | 182,559 | 642,585 |
| Printing and supplies | 37,230 | 60,694 | 3,193 | 124,595 | 127,788 | 188,482 |
| Grant assistance | 560,721 | 1,297,432 | 6,582 | 1,393 | 7,975 | 1,305,407 |
| Other expenses | 59,620 | 170,846 | 201,271 | 53,451 | 254,722 | 425,568 |
| Total direct expenses | 671,844 | 3,104,909 | 617,183 | 324,578 | 941,761 | 4,046,670 |
| TOTAL EXPENSES | \$ 734,250 | \$ 8,742,614 | \$ 1,864,583 | \$ 931,130 | \$ 2,795,713 | \$ 11,538,327 |

See accompanying notes to financial statements.

INDIVISIBLE PROJECT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Changes in net assets | \$ 88,886 | \$ (215,420) |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 34,344 | 37,465 |
| Unrealized (gain) loss | (282,230) | 402,781 |
| Realized (gain) loss | (7,316) | 56,094 |
| Decrease (increase) in: | | |
| Grants receivable | 2,100,618 | 522,365 |
| Other receivable | 8,973 | 70,314 |
| Due from Indivisible Civics | (9,680) | - |
| Preimbursement to Indivisible Action Arizona | (9,371) | - |
| Preimbursement to Indivisible Action | 252,961 | (429,179) |
| Prepaid expenses | (12,120) | 164,401 |
| Other assets | - | 29,500 |
| (Decrease) increase in: | | |
| Accounts payable and accrued liabilities | (141,756) | 114,481 |
| Due to Indivisible Civics | <u>(817,693)</u> | <u>509,826</u> |
| Net cash provided by operating activities | <u>1,205,616</u> | <u>1,262,628</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | (303,793) | (452,278) |
| Proceeds from sale of investments | <u>288,746</u> | <u>442,004</u> |
| Net cash used by investing activities | <u>(15,047)</u> | <u>(10,274)</u> |
| Net increase in cash and cash equivalents | 1,190,569 | 1,252,354 |
| Cash and cash equivalents at beginning of year | <u>2,585,482</u> | <u>1,333,128</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 3,776,051</u> | <u>\$ 2,585,482</u> |

INDIVISIBLE PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Indivisible Project (the Organization) is a 501(c)(4) nonprofit organization incorporated in January 2017 in the District of Columbia. The Organization was established to lift up a grassroots movement of local volunteer-led groups, elect progressive leaders, and realize bold progressive policies. The Organization supports local Indivisible groups by offering legislative advocacy and political expertise on the local, state, and national levels and by building political power everywhere. The programmatic activities that support the Organization's overall mission are tracked in the following categories: political, organizing, policy, communications, data, and distributed fundraising. The Organization's main source of revenue is contributions from foundations and individuals.

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.

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents except cash and cash equivalents held in the investment portfolio in the amounts of \$140,552 and \$67,563 at December 31, 2023 and 2022, respectively. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization 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 (loss), which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

INDIVISIBLE PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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

Grants receivable -

Grants receivable include unconditional promises to give that are expected to be collected in future years. Grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. 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 five years. The cost of maintenance and repairs is recorded as expenses as incurred. Depreciation and amortization expense for the years ended December 31, 2023 and 2022 totaled \$34,344 and \$37,465, respectively.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Statements of Activities and Changes in Net Assets, to its current fair value.

Income taxes -

The Organization 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)(4). Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Support from grants and contributions -

The Organization receives grants and contributions from a variety of donors. Grants and contributions are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual grants and contributions to determine if the revenue streams follow the contribution rules or if they should be recorded as exchange transactions depending upon whether the transactions are deemed nonreciprocal or reciprocal in accordance with ASC Topic 958.

For grants and contributions qualifying under the contribution rules, support 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.

Conditional contributions contain a right of return and a measurable barrier. These 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, the Organization had no refundable advances as of December 31, 2023 and 2022.

In addition, the Organization may obtain funding source agreements related to conditional contributions, which will be received in future years. However, the Organization had no conditional contributions to be received in future years as of December 31, 2023 and 2022.

INDIVISIBLE PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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

Management and administrative fee income -

Management and administrative fee income is received from the Organization's related parties. Such income is treated as exchange transaction revenue following ASC Topic 606. Income is recognized on a monthly basis because the related party receives the benefits on an ongoing basis. Payment is due when billed to the related party. The administrative fee is variable consideration, as the rate changes based on the overhead rate for each year. See Note 8 for an explanation of how the administrative fees were calculated for December 31, 2023 and 2022.

Refer to Note 8 for summary of amounts due to and from related parties as of December 31, 2023 and 2022.

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 Organization's programs and supporting services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Risks and uncertainties -

The Organization 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 are primarily for the purpose of more precisely classifying receivables.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization 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.

INDIVISIBLE PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Investments recorded in the Statements 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 the Organization 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.

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 years ended December 31, 2023 and 2022. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market fund is an open-end fund that is registered with the Securities and Exchange Commission (SEC) and is deemed to be actively traded.
- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *U.S. Government Securities* - Valued at the closing price reported in the active market in which the individual securities are traded.
- *Corporate Debt* - Valued at the closing price reported in the active market in which the individual securities are traded.
- *Real Estate Investment Trust (REIT) Shares* - Valued at the closing price reported in the active market in which the individual securities are traded.

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.

| Investments: | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|----------------------------|--------------------|--------------------|----------------------------|
| Money market funds | \$ 140,552 | \$ - | \$ - | \$ 140,552 |
| Equities | 1,222,550 | - | - | 1,222,550 |
| U.S. Government securities | 577,371 | - | - | 577,371 |
| Corporate bonds | 84,941 | - | - | 84,941 |
| REIT shares | <u>30,954</u> | <u>-</u> | <u>-</u> | <u>30,954</u> |
| TOTAL INVESTMENTS | <u>\$ 2,056,368</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,056,368</u> |

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, 2022.

| Investments: | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|----------------------------|--------------------|--------------------|----------------------------|
| Money market funds | \$ 67,563 | \$ - | \$ - | \$ 67,563 |
| Equities | 918,338 | - | - | 918,338 |
| U.S. Government securities | 654,436 | - | - | 654,436 |
| Corporate bonds | 83,563 | - | - | 83,563 |
| REIT shares | <u>27,875</u> | <u>-</u> | <u>-</u> | <u>27,875</u> |
| TOTAL INVESTMENTS | <u>\$ 1,751,775</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,751,775</u> |

INDIVISIBLE PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Net investment return consisted of the following for the years ended December 31, 2023 and 2022:

| | 2023 | 2022 |
|-------------------------------------|-------------------|---------------------|
| Interest and dividends, net of fees | \$ 14,150 | \$ 10,274 |
| Unrealized gain (loss) | 282,230 | (402,781) |
| Realized gain (loss) | <u>7,316</u> | <u>(56,094)</u> |
| NET INVESTMENT RETURN | \$ 303,696 | \$ (448,601) |

3. FIXED ASSETS

Fixed assets consisted of the following at December 31, 2023 and 2022:

| | 2023 | 2022 |
|---|-----------------|------------------|
| Capitalized software | \$ 74,931 | \$ 74,931 |
| Less: Accumulated depreciation and amortization | <u>(74,931)</u> | <u>(40,587)</u> |
| NET FIXED ASSETS | \$ - | \$ 34,344 |

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2023 and 2022:

| | 2023 | 2022 |
|--|---------------------|-------------------|
| Subject to expenditure for specified purpose | \$ 18,000 | \$ 109,852 |
| Subject to passage of time | <u>2,250,000</u> | <u>380,083</u> |
| NET ASSETS WITH DONOR RESTRICTIONS | \$ 2,268,000 | \$ 489,935 |

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

| | 2023 | 2022 |
|--|---------------------|-------------------|
| Purpose restrictions accomplished | \$ 91,852 | \$ 413,148 |
| Timing restrictions accomplished | <u>1,130,083</u> | <u>336,917</u> |
| NET ASSETS RELEASED FROM DONOR RESTRICTIONS | \$ 1,221,935 | \$ 750,065 |

INDIVISIBLE PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

5. LIQUIDITY AND AVAILABILITY

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

| | 2023 | 2022 |
|---|----------------------------|----------------------------|
| Cash and cash equivalents | \$ 3,776,051 | \$ 2,585,482 |
| Grants receivable | - | 2,100,618 |
| Other receivable | 7,428 | 16,401 |
| Due from Indivisible Civics | <u>9,680</u> | <u>-</u> |
| Subtotal financial assets available within one year | 3,793,159 | 4,702,501 |
| Less: Donor purpose restricted funds | <u>(18,000)</u> | <u>(109,852)</u> |
| FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR | \$ <u>3,775,159</u> | \$ <u>4,592,649</u> |

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition to the liquid assets noted above, the Organization's noncurrent investments may be utilized for operational purposes at the discretion of the governing Board.

6. RETIREMENT PLAN

The Organization maintains a 401(k) defined contribution plan that covers all regular full-time employees who have completed at least 90 days of employment. Employees are automatically enrolled with a 3-percent employee contribution unless they choose to opt out or change their personal contribution level. The Organization provides matching funds for each employee dollar contributed, up to a maximum employer contribution of five percent each year.

Retirement plan expenses of \$302,781 and \$219,016 are included with benefits on the Statements of Functional Expenses for the years ended December 31, 2023 and 2022.

7. CONCENTRATION OF REVENUE

Approximately 23 percent of the Organization's revenue for the year ended December 31, 2023 was derived from one donor. During 2022, the Organization received 14 percent of its revenue from one donor.

The Organization has no reason to believe that relationships with large donors will be discontinued in the foreseeable future. However, a discontinuation of these significant contributions from donors would impact the Organization's ability to finance ongoing operations.

8. RELATED PARTIES

Relationship with Indivisible Civics:

Indivisible Project has a related-party relationship with its affiliated 501(c)(3) organization named Indivisible Civics, which was established to educate and empower civic leaders at the community level across the country. The relationship does not require consolidation under U.S. GAAP, as both control and economic interest do not exist between the two organizations.

INDIVISIBLE PROJECT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

8. RELATED PARTIES (Continued)

Relationship with Indivisible Civics (continued):

In September 2017, Indivisible Project entered into a shared services agreement with Indivisible Civics. The agreement automatically renews on an annual basis and was in effect through the report date. Under the agreement, Indivisible Project recognizes expenses for both organizations, including salaries, benefits, and other programmatic and administrative costs, and then charges Indivisible Civics a management fee equal to the portion of the total costs that are allocated to Indivisible Civics. During the years ended December 31, 2023 and 2022, Indivisible Civics preimbursed Indivisible Project a total of \$2,650,000 and \$4,800,000, respectively. The management fee totaled \$3,640,973 and \$3,533,762, respectively, for the years ended December 31, 2023 and 2022. For Indivisible Project, these amounts are included as both income and expense on the Statements of Activities and Changes in Net Assets.

Indivisible Project also charges Indivisible Civics an additional fee for the administration of the shared services agreement. The fee was 12.30% and 13.18% of Indivisible Civics' total expenses, excluding the management and administrative fees for the fiscal years ended December 31, 2023 and 2022, respectively. The administrative fee totaled \$586,860 and \$527,327, respectively, for the years ended December 31, 2023 and 2022. For Indivisible Project, these amounts are included as income on the Statements of Activities and Changes in Net Assets.

During the years ended December 31, 2023 and 2022, Indivisible Civics made grants to Indivisible Project of \$375,000 and \$300,000, respectively.

As of December 31, 2023, \$9,680 was due from Indivisible Civics. As of December 31, 2022, there was a balance of \$817,693 in advance payments from Indivisible Civics.

Relationship with Indivisible Action:

Indivisible Project has a related-party relationship with a Federal hybrid political action committee (PAC) named Indivisible Action. The relationship does not require consolidation under U.S. GAAP, as both control and economic interest do not exist between the two organizations.

In May 2018, Indivisible Project entered into a resource sharing agreement with Indivisible Action. The agreement details the manner in which shared expenses can be reimbursed from Indivisible Action to Indivisible Project or contributed from Indivisible Project to Indivisible Action. The expenses generally fall under a reimbursement scenario, except that Indivisible Action has prepaid an amount to Indivisible Project for the expenses it expects to spend within a certain timeframe.

During the years ended December 31, 2023 and 2022, Indivisible Action preimbursed Indivisible Project a total of \$2,650,000 and \$2,900,000, respectively, and Indivisible Project charged \$2,420,178 and \$2,873,685 during the years ended December 31, 2023 and 2022, respectively, of costs against those amounts. The remainder is reported as a preimbursement to or from Indivisible Action on the Statements of Financial Position. These expenses are included on the accompanying Statements of Functional Expenses in the appropriate natural accounts.

Indivisible Project also charges Indivisible Action an administrative fee as part of the shared services agreement. For the years ended December 31, 2023 and 2022, the fee was \$387,588 using 12.30% as the rate and \$605,944 using 13.18% as the rate, respectively. For Indivisible Project, these amounts are included as income on the Statements of Activities and Changes in Net Assets.

During the years ended December 31, 2023 and 2022, Indivisible Project made grants to Indivisible Action in the amounts of \$1,000,000 and \$560,000, respectively.

As of December 31, 2023 and 2022, \$176,218 and \$429,179 was due from Indivisible Action.

INDIVISIBLE PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

8. RELATED PARTIES (Continued)

Relationship with Indivisible Action Arizona:

Indivisible Project has a related-party relationship with a State and Federal political action committee (PAC) named Indivisible Action Arizona. The relationship does not require consolidation under U.S. GAAP, as both control and economic interest do not exist between the two organizations.

In May 2023, Indivisible Project entered into a resource sharing agreement with Indivisible Action Arizona. The agreement details the manner in which shared expenses can be reimbursed from Indivisible Action Arizona to Indivisible Project or contributed from Indivisible Project to Indivisible Action Arizona. The expenses generally fall under a reimbursement scenario, except that Indivisible Action Arizona has prepaid an amount to Indivisible Project for the expenses it expects to spend within a certain timeframe. During the year ended December 31, 2023, Indivisible Action Arizona preimbursed Indivisible Project a total of \$155,000, respectively, and Indivisible Project charged \$164,371 during the year ended December 31, 2023, of costs against those amounts. The remainder is reported as a preimbursement to Indivisible Action Arizona on the Statements of Financial Position. Indivisible Project also charges Indivisible Action Arizona an administrative fee as part of the shared services agreement. For the year ended December 31, 2023 the fee was \$18,669 using 12.30% as the rate. For Indivisible Project, these amounts are included as income on the Statements of Activities and Changes in Net Assets.

During the year ended December 31, 2023, Indivisible Project made no grants to Indivisible Action Arizona.

As of December 31, 2023, \$9,371 was due from Indivisible Action Arizona.

9. DISTRIBUTED FUNDRAISING PROGRAMS

Indivisible Project provides strategic guidance, training, and tools to local groups throughout the country to help them participate in civic engagement and advocacy work at the Local, State, and Federal level.

One of Indivisible Project's methods for accomplishing this mission is through the distributed fundraising program, which began in late 2017 and is a streamlined process for groups to manage costs associated with their activism. As part of this process, Indivisible Project provides groups with a fundraising community page, a debit card, brief written guidance on the basics of fundraising, access to information about potential donors in their area, and a system for reporting the group's spending.

The fundraising community pages state that the donations are for the benefit of Indivisible Project and will be used by the local group; therefore the revenue received through the distributed fundraising program has been included as contributions on the accompanying statements of activities for the years ended December 31, 2023 and 2022. According to the distributed fundraising agreement, any funds that are unused or forfeited by the local group return to Indivisible Project for use in its general operations.

The primary expenses for the distributed fundraising program are grants made by Indivisible Project to the local groups via a prepaid debit card. All funds raised for a local group are granted to the local group, minus a 10-percent fee that Indivisible Project charges for costs related to administering the program. As of January 1, 2023, Indivisible Project no longer charges the 10-percent fee on local group grant funding. Each month, the treasurer of the local group sends a report to Indivisible Project to detail the local group's spending and check for compliance with the distributed fundraising agreement.

INDIVISIBLE PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

9. DISTRIBUTED FUNDRAISING PROGRAMS (Continued)

The local groups primarily spend their funds on public education, voter education, local-group building, and some independent political spending on Federal elections. These activities are in line with Indivisible Project's own programmatic activities and the mission of the organization; therefore the grant expenses and related costs for the distributed fundraising program have been reported a program activity rather than as a fundraising activity.

10. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 23, 2024, the date the financial statements were issued.