
MAPLIGHT

FINANCIAL STATEMENTS

June 30, 2018

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

MAPLIGHT

Contents

Independent Auditors' Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-11

INDEPENDENT AUDITORS' REPORT

Board of Directors
MapLight
Berkeley, California

Report on the Financial Statements

We have audited the accompanying financial statements of MapLight, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MapLight as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited MapLight's June 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 31, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Croody & Lameda CPAs LLP

Oakland, California

January 23, 2019

MAPLIGHT

Statement of Financial Position
June 30, 2018
(With Comparative Totals as of June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 517,198	\$ 865,115
Certificates of deposit	203,529	202,514
Accounts and pledges receivable	40,460	5,548
Grants receivable	-	150,000
Prepaid expenses	33,616	41,180
Total Current Assets	<u>794,803</u>	<u>1,264,357</u>
Property and equipment, net (Note 3)	15,702	25,370
Deposits	<u>11,425</u>	<u>9,400</u>
Total Assets	<u>\$ 821,930</u>	<u>\$ 1,299,127</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 88,423	\$ 86,375
Accrued vacation	84,978	84,499
Deferred revenue	35,000	-
Total Liabilities	<u>208,401</u>	<u>170,874</u>
Commitments and Contingencies (Notes 4 and 5)		
Net Assets		
Unrestricted	598,529	842,072
Temporarily restricted (Note 7)	15,000	286,181
Total Net Assets	<u>613,529</u>	<u>1,128,253</u>
Total Liabilities and Net Assets	<u>\$ 821,930</u>	<u>\$ 1,299,127</u>

See Notes to the Financial Statements

MAPLIGHT

**Statement of Activities
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	Unrestricted	Temporarily Restricted	Total	
			2018	2017
Support and Revenue				
Support				
Foundation and other grants	\$ 1,256,100	\$ 187,500	\$ 1,443,600	\$ 1,491,825
Donations	74,457	16,243	90,700	27,719
Total Support	<u>1,330,557</u>	<u>203,743</u>	<u>1,534,300</u>	<u>1,519,544</u>
Revenue				
Sale of data	257,000		257,000	216,788
Interest	4,300		4,300	8,686
Other income	5,559		5,559	7,196
Total Revenue	<u>266,859</u>	<u>-</u>	<u>266,859</u>	<u>232,670</u>
Net assets released from donor restrictions (Note 7)	<u>474,924</u>	<u>(474,924)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,072,340</u>	<u>(271,181)</u>	<u>1,801,159</u>	<u>1,752,214</u>
Expenses				
Program	1,716,574		1,716,574	2,376,179
Management and general	237,734		237,734	303,493
Fundraising	361,575		361,575	309,051
Total Expenses	<u>2,315,883</u>	<u>-</u>	<u>2,315,883</u>	<u>2,988,723</u>
Change in net assets	(243,543)	(271,181)	(514,724)	(1,236,509)
Net assets, beginning of year	<u>842,072</u>	<u>286,181</u>	<u>1,128,253</u>	<u>2,364,762</u>
Net assets, end of year	<u>\$ 598,529</u>	<u>\$ 15,000</u>	<u>\$ 613,529</u>	<u>\$ 1,128,253</u>

See Notes to the Financial Statements

MAPLIGHT

Statement of Cash Flows For the Year Ended June 30, 2018 (With Comparative Totals for the Year Ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (514,724)	\$ (1,236,509)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	9,668	14,180
Changes in assets and liabilities:		
Accounts and pledges receivable	(34,912)	44,935
Grants receivable	150,000	337,500
Prepaid expenses	7,564	(4,610)
Deposits	(2,025)	2,336
Accounts payable and accrued expenses	2,048	(26,787)
Accrued vacation	479	(3,950)
Deferred revenue	35,000	-
Net cash provided (used) by operating activities	<u>(346,902)</u>	<u>(872,905)</u>
Cash flows from investing activities:		
Reinvestments in certificate of deposit, net	<u>(1,015)</u>	<u>(2,514)</u>
Net cash provided (used) by investing activities	<u>(1,015)</u>	<u>(2,514)</u>
Change in cash and cash equivalents	(347,917)	(875,419)
Cash and cash equivalents, beginning of year	<u>865,115</u>	<u>1,740,534</u>
Cash and cash equivalents, end of year	<u>\$ 517,198</u>	<u>\$ 865,115</u>

See Notes to the Financial Statements

MAPLIGHT

**Statement of Functional Expenses
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	Program		Total Program	Management and General	Fundraising	Total	
	Money & Influence	Voters' Edge				2018	2017
Salaries	\$ 981,405	\$ 197,821	\$ 1,179,226	\$ 151,609	\$ 273,628	\$ 1,604,463	\$ 2,073,954
Retirement contributions	27,938	4,638	32,576	5,803	7,724	46,103	60,113
Other employee benefits	71,404	16,006	87,410	15,601	15,257	118,268	143,887
Payroll taxes	89,788	15,632	105,420	18,894	24,910	149,224	151,464
Total Personnel	<u>1,170,535</u>	<u>234,097</u>	<u>1,404,632</u>	<u>191,907</u>	<u>321,519</u>	<u>1,918,058</u>	<u>2,429,418</u>
Grants		25,645	25,645	-	-	25,645	1,705
Legal	16,773		16,773	1,968	-	18,741	2,814
Accounting fees			-	8,550	-	8,550	8,050
Other fees for service	75,409	7,267	82,676	5,573	2,260	90,509	190,346
Advertising and promotion	192		192	715	-	907	21,961
Office expenses	35,982	11,092	47,074	4,463	11,137	62,674	93,302
Information technology	22,079	15,415	37,494	480	585	38,559	49,620
Occupancy	32,852	5,642	38,494	6,868	9,099	54,461	72,617
Travel and meals	19,704	3,722	23,426	1,825	1,714	26,965	59,153
Conferences and meetings	8,542	1,480	10,022	6,084	2,662	18,768	9,615
Insurance	7,838	1,307	9,145	5,243	552	14,940	13,787
Dues, licenses, service fees	99	1,362	1,461	1,361	8,964	11,786	8,362
Depreciation	5,880	941	6,821	1,238	1,609	9,668	14,180
Staff development	11,838	881	12,719	1,459	1,474	15,652	12,806
Miscellaneous			-	-	-	-	987
Total Expenses	<u>\$ 1,407,723</u>	<u>\$ 308,851</u>	<u>\$ 1,716,574</u>	<u>\$ 237,734</u>	<u>\$ 361,575</u>	<u>\$ 2,315,883</u>	<u>\$ 2,988,723</u>

See Notes to the Financial Statements

MAPLIGHT

Notes to the Financial Statements For the Year Ended June 30, 2018 (With Comparative Totals for the Year Ended June 30, 2017)

NOTE 1: NATURE OF ACTIVITIES

MapLight (the Organization), a California nonprofit public benefit organization, was founded in 2005 in order to reveal the influence of money on politics, with the goal of getting special-interest influence out of our political system.

The Organization pursues its mission by connecting data on campaign contributions, politicians, legislative votes, industries, companies, and more to identify connections between the money coming into our political system and the votes coming out. MapLight provides this data, as well as online money-and-politics research tools, to journalists and the public to make the impact of our money-dominated political system tangible and concrete by connecting it to the issues that affect people's everyday lives.

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).

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of June 30, 2018.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

MAPLIGHT

Notes to the Financial Statements For the Year Ended June 30, 2018 (With Comparative Totals for the Year Ended June 30, 2017)

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Accounts and Pledges Receivable

The Organization considers all accounts and pledges receivable to be fully collectible at June 30, 2018. 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.

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 Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2018 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.

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 during the year ended June 30, 2018.

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.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values 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.

MAPLIGHT

Notes to the Financial Statements For the Year Ended June 30, 2018 (With Comparative Totals for the Year Ended June 30, 2017)

Level 1 - 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 other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on June 30, 2018.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Furniture and equipment	3-5 years
Leasehold improvements	5 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

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 June 30, 2017, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of January 23, 2019 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

MAPLIGHT

Notes to the Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 56,415	\$ 56,415
Leasehold improvements	8,729	8,729
Less: Accumulated depreciation	<u>(49,442)</u>	<u>(39,774)</u>
Total	<u>\$ 15,702</u>	<u>\$ 25,370</u>

NOTE 4: COMMITMENTS

Operating Leases

The Organization is party to a lease for office space in Berkeley, which expires in April, 2022. Future minimum operating lease payments are as follows for the years ended June 30:

2019	\$ 42,000
2020	42,000
2021	42,000
2022	<u>35,000</u>
Total	<u>\$ 161,000</u>

Rent for the years ended June 30, 2018 and 2017 was \$42,000 and \$59,851, respectively.

NOTE 5: 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 deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

Unemployment insurance

The Organization has elected to self-insure under California's unemployment insurance program. The Organization may be subject to payments in future periods for past employment actions. Given the limited experience the Organization has with such claims and the variable nature of amounts that may be due in future periods, no reasonable estimate of the amount, if any, of such future expense is available.

NOTE 6: CONCENTRATIONS

Revenue Concentrations and Receivables

During the year ended June 30, 2018, the Organization received approximately 36% of its support and revenue from three 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.

MAPLIGHT

**Notes to the Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

NOTE 7: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows as of June 30:

	<u>2018</u>	<u>2017</u>
Berkeley Fair Elections Act	\$ -	\$ 10,000
Data, research, and outreach	-	150,000
Money and influence	15,000	94,565
Voters' Edge	-	1,616
Future periods	<u>-</u>	<u>30,000</u>
Total	<u>\$ 15,000</u>	<u>\$ 286,181</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the years ended June 30:

	<u>2018</u>	<u>2017</u>
Berkeley Fair Elections Act	\$ 10,000	\$ 5,000
Data, research, and outreach	150,000	50,000
Finance reform	32,500	-
Money and influence	134,565	280,430
Top 10 Ranking	-	50,000
Voters' Edge	117,859	856,466
Expiration of time restrictions	<u>30,000</u>	<u>180,000</u>
Total	<u>\$ 474,924</u>	<u>\$ 1,421,896</u>

NOTE 8: RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) under section 403(b) of the Internal Revenue Code. The Organization is not required to make contributions to the Plan. During the years ended June 30, 2018 and 2017, the Organization contributed \$46,103 and \$60,113 to the Plan, respectively.

NOTE 9: CONDITIONAL PROMISES TO GIVE

The Organization defers recognition of conditional promises to give until the related conditions have been satisfied. As of June 30, 2018 conditional promises to give consisted of the following:

<u>Grant</u>	<u>Award</u>	<u>Recognized</u>	<u>Remaining</u>	<u>Condition</u>
Grant I	\$180,000	\$60,000	\$120,000	Program performance and reporting
Grant II	\$250,000	\$150,000	\$100,000	Program performance and reporting

The Organization expects to satisfy the conditions related to these promises by June 30, 2020.