
MAPLIGHT

FINANCIAL STATEMENTS

June 30, 2017

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2016)

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, 2017, 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, 2017, and the results of its operations 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, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 7, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Croody & Lameda CPAs LLP

Oakland, California

January 31, 2018

MAPLIGHT

Statement of Financial Position
June 30, 2017
(With Comparative Totals as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 865,115	\$ 1,740,534
Certificates of deposit	202,514	200,000
Accounts and pledges receivable	5,548	50,483
Grants receivable	150,000	487,500
Prepaid expenses	41,180	36,570
Total Current Assets	<u>1,264,357</u>	<u>2,515,087</u>
Property and equipment, net (Note 3)	25,370	39,550
Deposits	<u>9,400</u>	<u>11,736</u>
 Total Assets	 <u>\$ 1,299,127</u>	 <u>\$ 2,566,373</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 86,375	\$ 113,162
Accrued vacation	84,499	88,449
Total Liabilities	<u>170,874</u>	<u>201,611</u>
Commitments and Contingencies (Notes 4 and 5)		
Net Assets		
Unrestricted	842,072	971,685
Temporarily restricted (Note 7)	<u>286,181</u>	<u>1,393,077</u>
Total Net Assets	<u>1,128,253</u>	<u>2,364,762</u>
 Total Liabilities and Net Assets	 <u>\$ 1,299,127</u>	 <u>\$ 2,566,373</u>

See Notes to the Financial Statements

MAPLIGHT

**Statement of Activities
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
Support and Revenue				
Support				
Foundation and corporate grants	\$ 1,176,825	\$ 315,000	\$ 1,491,825	\$ 2,807,050
Donations	27,719		27,719	29,899
Total Support	<u>1,204,544</u>	<u>315,000</u>	<u>1,519,544</u>	<u>2,836,949</u>
Revenue				
Sale of data	216,788		216,788	192,098
Interest	8,686		8,686	5,180
Other income	7,196		7,196	4,515
Total Revenue	<u>232,670</u>	<u>-</u>	<u>232,670</u>	<u>201,793</u>
Net assets released from donor restrictions (Note 7)	<u>1,421,896</u>	<u>(1,421,896)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,859,110</u>	<u>(1,106,896)</u>	<u>1,752,214</u>	<u>3,038,742</u>
Expenses				
Program	2,376,179		2,376,179	2,023,146
Management and general	303,493		303,493	191,048
Fundraising	309,051		309,051	256,625
Total Expenses	<u>2,988,723</u>	<u>-</u>	<u>2,988,723</u>	<u>2,470,819</u>
Change in net assets	(129,613)	(1,106,896)	(1,236,509)	567,923
Net assets, beginning of year	<u>971,685</u>	<u>1,393,077</u>	<u>2,364,762</u>	<u>1,796,839</u>
Net assets, end of year	<u>\$ 842,072</u>	<u>\$ 286,181</u>	<u>\$ 1,128,253</u>	<u>\$ 2,364,762</u>

See Notes to the Financial Statements

MAPLIGHT

Statement of Cash Flows
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (1,236,509)	\$ 567,923
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	14,180	15,967
Changes in assets and liabilities:		
Certificates of deposit	(2,514)	(200,000)
Accounts and pledges receivable	44,935	(5,083)
Grants receivable	337,500	187,500
Prepaid expenses	(4,610)	(8,123)
Deposits	2,336	(2,336)
Accounts payable and accrued expenses	(26,787)	70,365
Accrued vacation	(3,950)	23,878
Net cash provided (used) by operating activities	(875,419)	650,091
Cash flows from investing activities:		
Property and equipment purchases	-	(29,346)
Net cash provided (used) by investing activities	-	(29,346)
Change in cash and cash equivalents	(875,419)	620,745
Cash and cash equivalents, beginning of year	1,740,534	1,119,789
Cash and cash equivalents, end of year	\$ 865,115	\$ 1,740,534

See Notes to the Financial Statements

MAPLIGHT

**Statement of Functional Expenses
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

	Program			Management and General	Fundraising	Total	
	Money & Influence	Voters' Edge	Program			2017	2016
Salaries	\$ 1,053,379	\$ 601,980	\$ 1,655,359	\$ 198,144	\$ 220,451	\$ 2,073,954	\$ 1,601,140
Retirement contributions	29,116	18,707	47,823	6,747	5,543	60,113	23,218
Other employee benefits	70,987	36,924	107,911	21,707	14,269	143,887	137,585
Payroll taxes	75,404	44,019	119,423	16,951	15,090	151,464	120,024
Total Personnel	<u>1,228,886</u>	<u>701,630</u>	<u>1,930,516</u>	<u>243,549</u>	<u>255,353</u>	<u>2,429,418</u>	<u>1,881,967</u>
Grants		1,705	1,705	-	-	1,705	12,750
Legal	1,631	530	2,161	653	-	2,814	4,735
Accounting fees			-	8,050	-	8,050	8,000
Other fees for service	148,510	17,470	165,980	16,278	8,088	190,346	201,342
Advertising and promotion		17,447	17,447	4,514	-	21,961	13,867
Supplies	41,122	27,393	68,515	4,590	7,020	80,125	100,013
Telephone	1,773	2,209	3,982	321	259	4,562	6,710
Postage and shipping	498	647	1,145	297	721	2,163	1,571
Information technology	18,909	29,927	48,836	442	342	49,620	40,477
Copy and printing	68	1,243	1,311	394	1,498	3,203	3,674
Occupancy	28,915	31,379	60,294	6,906	5,417	72,617	70,192
Travel and meals	24,139	11,852	35,991	6,589	16,573	59,153	55,771
Conferences, conventions, meetings	5,807	1,683	7,490	-	2,125	9,615	14,625
Insurance	5,341	3,302	8,643	4,882	262	13,787	12,100
Dues, licenses, service fees			-	1,011	7,351	8,362	7,152
Depreciation	6,741	4,319	11,060	1,830	1,290	14,180	15,967
Staff development	5,578	3,371	8,949	2,738	1,119	12,806	16,031
Publications	872	336	1,208	417	1,624	3,249	3,576
Miscellaneous	925	21	946	32	9	987	299
Total Expenses	<u>\$ 1,519,715</u>	<u>\$ 856,464</u>	<u>\$ 2,376,179</u>	<u>\$ 303,493</u>	<u>\$ 309,051</u>	<u>\$ 2,988,723</u>	<u>\$ 2,470,819</u>

See Notes to the Financial Statements

MAPLIGHT

Notes to the Financial Statements For the Year Ended June 30, 2017 (With Comparative Totals for the Year Ended June 30, 2016)

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, 2017.

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, 2017 (With Comparative Totals for the Year Ended June 30, 2016)

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, Pledges, and Grants Receivable

The Organization considers all accounts, pledges, and grants receivable to be fully collectible at June 30, 2017. 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, 2017 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, 2017.

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

MAPLIGHT

Notes to the Financial Statements For the Year Ended June 30, 2017 (With Comparative Totals for the Year Ended June 30, 2016)

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.

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, 2017.

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, 2016, from which the summarized information was derived.

MAPLIGHT

Notes to the Financial Statements
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of January 31, 2018 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 56,415	\$ 70,862
Leasehold improvements	8,729	8,729
less accumulated depreciation	<u>(39,774)</u>	<u>(40,041)</u>
Total	<u>\$ 25,370</u>	<u>\$ 39,550</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:

2018	\$ 42,000
2019	42,000
2020	42,000
2021	42,000
2022	<u>35,000</u>
Total	<u>\$ 203,000</u>

Rent for the years ended June 30, 2017 and 2016 was \$59,851 and \$58,258, respectively.

NOTE 5: CONTINGENCIES

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.

NOTE 6: CONCENTRATIONS

Revenue Concentrations and Receivables

During the year ended June 30, 2017, the Organization received approximately 66% of its support from three foundation 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.

At June 30, 2017, 96% of grants receivable was from one funder.

MAPLIGHT

Notes to the Financial Statements
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

NOTE 7: TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2017</u>	<u>2016</u>
Berkeley Fair Elections Act	\$ 10,000	\$ -
Data, research, and outreach	150,000	-
Money and influence	94,565	359,995
Top 10 Ranking	-	50,000
Voters' Edge	1,616	833,082
Future periods	<u>30,000</u>	<u>150,000</u>
Total	<u>\$ 286,181</u>	<u>\$ 1,393,077</u>

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

	<u>2017</u>	<u>2016</u>
Berkeley Fair Elections Act	\$ 5,000	\$ -
Data, research, and outreach	50,000	-
Holiday party	-	1,000
Money and influence	280,430	154,090
Top 10 Ranking	50,000	-
Voters' Edge	856,466	1,038,685
Expiration of time restrictions	<u>180,000</u>	<u>175,000</u>
Total	<u>\$ 1,421,896</u>	<u>\$ 1,368,775</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 Plan covers all employees who meet age and length of service requirements. The Organization is not required to make contributions to the Plan. During the years ended June 30, 2017 and 2016, the Organization contributed \$60,113 and \$23,218 to the Plan, respectively.