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# MAPLIGHT

## FINANCIAL STATEMENTS

June 30, 2016

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2015)

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**CROSBY & KANEDA**  
Certified Public Accountants

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Dedicated to Nonprofit Organizations

# MAPLIGHT

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## **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, 2016, 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, 2016, 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, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants  
Oakland, California  
December 7, 2016

**MAPLIGHT**

**Statement of Financial Position  
June 30, 2016  
(With Comparative Totals as of June 30, 2015)**

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	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,940,534	\$ 1,119,789
Accounts and pledges receivable	50,483	45,400
Grants receivable	487,500	675,000
Prepaid expenses	36,570	28,447
Total Current Assets	<u>2,515,087</u>	<u>1,868,636</u>
Property and equipment, net (Note 3)	39,550	26,171
Deposits	<u>11,736</u>	<u>9,400</u>
 Total Assets	 <u>\$ 2,566,373</u>	 <u>\$ 1,904,207</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 113,162	\$ 42,797
Accrued vacation	88,449	64,571
Total Liabilities	<u>201,611</u>	<u>107,368</u>
Commitments and Contingencies (Notes 4 and 5)		
Net Assets		
Unrestricted	971,685	1,095,987
Temporarily restricted (Note 7)	1,393,077	700,852
Total Net Assets	<u>2,364,762</u>	<u>1,796,839</u>
 Total Liabilities and Net Assets	 <u>\$ 2,566,373</u>	 <u>\$ 1,904,207</u>

See Notes to the Financial Statements

**MAPLIGHT**

**Statement of Activities  
For the Year Ended June 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

	Unrestricted	Temporarily Restricted	Total	
			2016	2015
<b>Support and Revenue</b>				
Support				
Foundation and corporate grants	\$ 746,050	\$ 2,061,000	\$ 2,807,050	\$ 1,877,647
Donations	29,899		29,899	22,680
Total Support	<u>775,949</u>	<u>2,061,000</u>	<u>2,836,949</u>	<u>1,900,327</u>
Revenue				
Sale of data	192,098		192,098	180,025
Interest	5,180		5,180	4,149
Other income	4,515		4,515	3,478
Total Revenue	<u>201,793</u>	<u>-</u>	<u>201,793</u>	<u>187,652</u>
Net assets released from donor restrictions: (Note 7)	<u>1,368,775</u>	<u>(1,368,775)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,346,517</u>	<u>692,225</u>	<u>3,038,742</u>	<u>2,087,979</u>
<b>Expenses</b>				
Program	2,023,146		2,023,146	1,406,668
Management and General	191,048		191,048	123,274
Fundraising	256,625		256,625	346,769
Total Expenses	<u>2,470,819</u>	<u>-</u>	<u>2,470,819</u>	<u>1,876,711</u>
Change in net assets	(124,302)	692,225	567,923	211,268
Net Assets, beginning of year	<u>1,095,987</u>	<u>700,852</u>	<u>1,796,839</u>	<u>1,585,571</u>
Net assets, end of year	<u>\$ 971,685</u>	<u>\$ 1,393,077</u>	<u>\$ 2,364,762</u>	<u>\$ 1,796,839</u>

See Notes to the Financial Statements

**MAPLIGHT**

**Statement of Cash Flows**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

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	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 567,923	\$ 211,268
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	15,967	13,424
Changes in assets and liabilities:		
Accounts and pledges receivable	(5,083)	(2,801)
Grants receivable	187,500	(550,000)
Prepaid expenses	(8,123)	(25,247)
Deposits	(2,336)	-
Accounts payable and accrued expenses	70,365	9,463
Accrued vacation	23,878	5,676
Net cash provided (used) by operating activities	<u>850,091</u>	<u>(338,217)</u>
<b>Cash flows from investing activities:</b>		
Property and equipment purchases	<u>(29,346)</u>	<u>(23,321)</u>
Net cash provided (used) by investing activities	<u>(29,346)</u>	<u>(23,321)</u>
Change in cash and cash equivalents	820,745	(361,538)
Cash and cash equivalents, beginning of year	<u>1,119,789</u>	<u>1,481,327</u>
Cash and cash equivalents, end of year	<u>\$ 1,940,534</u>	<u>\$ 1,119,789</u>

See Notes to the Financial Statements

**MAPLIGHT**

**Statement of Functional Expenses  
For the Year Ended June 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)**

	Program		Total Program	Management and General	Fundraising	Total	
	Money & Influence	Voters' Edge				2016	2015
Salaries	\$ 626,501	\$ 671,587	\$ 1,298,088	\$ 128,575	\$ 174,477	\$ 1,601,140	\$ 1,298,605
Pension contributions	8,181	11,582	19,763	1,507	1,948	23,218	-
Other employee benefits	47,733	67,590	115,323	12,316	9,946	137,585	114,410
Payroll taxes	48,095	50,299	98,394	8,518	13,112	120,024	92,184
Total personnel	<u>730,510</u>	<u>801,058</u>	<u>1,531,568</u>	<u>150,916</u>	<u>199,483</u>	<u>1,881,967</u>	<u>1,505,199</u>
Grants		12,750	12,750	-	-	12,750	-
Legal		4,735	4,735	-	-	4,735	4,710
Accounting fees			-	8,000	-	8,000	14,020
Other fees for service	111,329	83,291	194,620	2,182	4,540	201,342	134,429
Advertising and promotion	1,189	4,475	5,664	8,203	-	13,867	14,156
Supplies	40,289	38,160	78,449	4,539	17,025	100,013	29,157
Telephone	2,497	3,464	5,961	301	448	6,710	6,489
Postage and shipping	323	326	649	184	738	1,571	2,425
Information technology	22,444	17,691	40,135	141	201	40,477	28,812
Copy and printing		4	4	748	2,922	3,674	6,283
Occupancy	24,566	34,585	59,151	4,345	6,696	70,192	52,115
Travel and meals	25,214	22,245	47,459	3,565	4,747	55,771	39,077
Conferences, conventions, meetings	7,870	105	7,975	-	6,650	14,625	4,677
Insurance	4,185	4,063	8,248	3,609	243	12,100	8,142
Dues, licenses, service fees		15	15	1,065	6,072	7,152	2,877
Depreciation	6,496	6,559	13,055	1,137	1,775	15,967	13,424
Staff development	6,442	4,825	11,267	888	3,876	16,031	9,001
Publications	1,107	334	1,441	926	1,209	3,576	1,718
Miscellaneous			-	299	-	299	-
Total Expenses	<u>\$ 984,461</u>	<u>\$ 1,038,685</u>	<u>\$ 2,023,146</u>	<u>\$ 191,048</u>	<u>\$ 256,625</u>	<u>\$ 2,470,819</u>	<u>\$ 1,876,711</u>

See Notes to the Financial Statements



## MAPLIGHT

### Notes to the Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for the Year Ended June 30, 2015)

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#### 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 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. Temporarily restricted net assets may also include accumulated appreciation of permanently restricted endowment funds that have not been appropriated by the Organization.

*Permanently restricted net assets* – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of June 30, 2016.

##### **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

## MAPLIGHT

### Notes to the Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for the Year Ended June 30, 2015)

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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.

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, 2016. 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, 2016 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, 2016.

#### **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.

## MAPLIGHT

### Notes to the Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for the Year Ended June 30, 2015)

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#### 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.

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, 2016.

#### 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. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

# MAPLIGHT

## Notes to the Financial Statements For the Year Ended June 30, 2016 (With Comparative Totals for the Year Ended June 30, 2015)

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### 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, 2015, from which the summarized information was derived.

### Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of December 7, 2016 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>2016</u>	<u>2015</u>
Furniture and equipment	\$ 70,862	\$ 47,363
Leasehold improvements	8,729	8,729
less accumulated depreciation	<u>(40,041)</u>	<u>(29,921)</u>
Total	<u>\$ 39,550</u>	<u>\$ 26,171</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:

2017	\$ 50,681
2018	42,000
2019	42,000
2020	42,000
2021	42,000
Thereafter	<u>35,000</u>
Total	<u>\$ 253,681</u>

MAPLIGHT

Notes to the Financial Statements  
For the Year Ended June 30, 2016  
(With Comparative Totals for the Year Ended June 30, 2015)

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Rent for the years ended June 30, 2016 and 2015 was \$58,258 and \$38,400, 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, 2016, the Organization received approximately 63% of its support from four 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, 2016, 92% of grants receivable were from two funders.

**NOTE 7: TEMPORARILY RESTRICTED NET ASSETS**

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

	<u>2016</u>	<u>2015</u>
Voters' Edge	\$ 833,082	\$ 286,767
Top 10 Ranking	50,000	50,000
Money and influence	359,995	64,085
Future periods	<u>150,000</u>	<u>300,000</u>
Total	<u>\$ 1,393,077</u>	<u>\$ 700,852</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>2016</u>	<u>2015</u>
Voters' Edge	\$ 1,038,685	\$ 263,233
Money and influence	154,090	284,562
Holiday party	1,000	-
Expiration of time restrictions	<u>175,000</u>	<u>275,000</u>
Total	<u>\$ 1,368,775</u>	<u>\$ 822,795</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 year ended June 30, 2016 the Organization contributed \$23,218 to the Plan.