



**REPORT ON  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH SUMMARIZED  
FINANCIAL INFORMATION FOR 2017**

**VOTO LATINO, INC.**

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SALTI & ASSOCIATES, LLC  
*Certified Public Accountant*

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Voto Latino, Inc.  
1300 L Street, N.W.  
Washington, DC 20005

I have audited the accompanying financial statements of Voto Latino, Inc. which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows 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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amount 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 estimated made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Voto Latino, Inc. as of December 31, 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

The 2017 prior year summarized comparative information has been derived from Voto Latino's 2017 financial statements, and in my report dated October 20, 2018, I expressed an unqualified opinion on those financial statements taken as a whole.

### Emphasis of Matter

As discussed in Note 2 to the financial statements, in the year ended December 31, 2018, Voto Latino adapted and retrospectively applied Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Non-for-Profit Entities* (Topic 958); *Presentation of Financial Statements of Non-for-Profit Entities*. My opinion is not modified with respect to this matter.

### Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules of Statements of Financial Position and Statement of Activities for comparative even and odd years of 2018 and 2017 on pages 13 to 16 are represented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

No. 2019 SIO 4

Washington, DC  
September 23, 2019

VOTO LATINO, INC.

STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2018  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash in bank	\$ 1,344,027	\$ 374,300
Grants & pledges receivable	68,081	591,700
Other accounts receivable	9,023	8,085
Due from related party (note 9)	15,901	4,318
Prepaid expenses	-	7,676
Total Current Assets	<u>1,437,032</u>	<u>986,079</u>
<b>Property &amp; Equipment - at Cost</b>		
Furniture and equipment	7,465	1,056
Equipment	26,364	25,198
Website Cost	99,000	99,000
	<u>132,829</u>	<u>125,254</u>
Less: accumulated depreciation	(122,311)	(103,535)
Property & equipment, Net	<u>10,518</u>	<u>21,719</u>
<b>Other Assets</b>		
Security deposits (note 8)	32,289	13,030
Total other assets	<u>32,289</u>	<u>13,030</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,479,839</u></b>	<b><u>\$ 1,020,828</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	391,731	212,555
Payroll taxes payable	221	-
Due to affiliate (note 9)	50,000	-
Deferred rent (note 7)	10,003	-
Deferred revenue	18,561	-
Total Current Liabilities	<u>470,516</u>	<u>212,555</u>
<b>Total Liabilities</b>	<b><u>470,516</u></b>	<b><u>212,555</u></b>
<b>Net Assets</b>		
Without donor restrictions		
General operations	<u>646,823</u>	<u>174,939</u>
With donor restrictions		
Purpose restricted	343,750	633,334
Time restricted for future periods	18,750	-
Total with donor restrictions	<u>362,500</u>	<u>633,334</u>
Total net assets	<u>1,009,323</u>	<u>808,273</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,479,839</u></b>	<b><u>\$ 1,020,828</u></b>

The accompanying notes are an integral part of these financial statements

VOTO LATINO, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2018</u>	<u>2017</u>
<b>REVENUE</b>				
Grants and contributions	\$ 2,283,920	\$ 400,000	\$ 2,683,920	\$ 1,511,031
Contribution from individuals	1,381,335	-	1,381,335	536,375
Revenue from affiliate	100,000	-	100,000	364,000
Sponsorships	403,518	-	403,518	205,604
Miscellaneous income	10,450	-	10,450	3,000
Net assets released from restrictions for:				
Civic Engagement	564,584	(564,584)	-	-
CRM Database	75,000	(75,000)	-	-
SOMOS MAS	25,000	(25,000)	-	-
Time-purpose	6,250	(6,250)	-	-
<b>TOTAL REVENUE</b>	<b>4,850,057</b>	<b>(270,834)</b>	<b>4,579,223</b>	<b>2,620,010</b>
<b>EXPENSES</b>				
Program Services and Expenses:				
Civic Engagement	2,360,972	-	2,360,972	944,200
Events	124,127	-	124,127	115,319
Issue Advocacy Campaigns	305,497	-	305,497	122,526
Leadership Development	296,255	-	296,255	308,798
SOMOS MAS	137,805	-	137,805	-
Total Program Services Expenses	3,224,656	-	3,224,656	1,490,843
Supporting Services Expenses:				
Management and General	606,608	-	606,608	348,739
Fundraising	546,909	-	546,909	348,733
Total Supporting Services Expenses	1,153,517	-	1,153,517	697,472
<b>TOTAL EXPENSES</b>	<b>4,378,173</b>	<b>-</b>	<b>4,378,173</b>	<b>2,188,315</b>
Change in Net Assets	471,884	(270,834)	201,050	431,695
Net Assets, Beginning of Year	174,939	633,334	808,273	376,578
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 646,823</b>	<b>\$ 362,500</b>	<b>\$ 1,009,323</b>	<b>\$ 808,273</b>

The accompanying notes are an integral part of these financial statements

VOTO LATINO, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31 2018  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	Civic Engagement	Events	Issue Advocacy Campaigns	Leadership Development	SOMOS MAS	Management and General	Fund- raising	2018	2017
Salary expense	\$ 232,446	\$ 60,708	\$ 89,824	\$ 65,021	\$ 82,462	\$ 161,396	\$ 76,252	\$ 768,109	\$ 995,808
Payroll taxes	17,348	4,531	6,704	4,853	6,154	12,045	5,691	57,326	147,472
Fringe benefits	14,123	3,689	5,458	3,951	5,010	9,806	4,633	46,670	-
Accounting and payroll services	12,880	3,363	4,976	3,602	4,568	8,941	4,224	42,554	32,501
Bank fees	-	-	-	-	-	25,407	8,945	34,352	3,658
Books, membership, licences fees	303	-	-	99	-	9,464	3,500	13,366	15,811
Civic engagement and outreach	1,361,760	2,651	604	3,724	-	-	-	1,368,739	-
Depreciation & amortization	5,682	182	2,196	1,589	2,016	4,595	2,515	18,775	36,048
Digital outreach	82,076	-	-	-	-	-	57,500	139,576	60
Event venue, rentals and catering	34,406	39,351	7,147	160,330	922	2,937	348	245,441	155,074
Fellowship expenses	8,658	-	-	2,500	-	8,950	-	20,108	-
Insurance - business	639	20	247	179	227	516	283	2,111	5,100
Legal fees	10,826	2,827	4,183	3,028	3,840	7,517	3,552	35,773	18,992
Media Production Expense	84	-	50,597	-	-	346	-	51,027	-
Mobile text message services	149,561	-	-	-	-	-	-	149,561	-
Occupancy costs and utilities	35,993	1,155	13,909	10,068	12,769	29,115	15,930	118,939	97,699
Office & computer supplies	21	287	26	-	-	20,228	-	20,562	5,607
Postage & delivery	14,828	286	514	6,380	4,574	385	-	26,967	6,341
Printing & copying	194	-	2,986	(208)	-	622	-	3,594	9,321
Professional fees	108,209	-	58,522	12,247	15,000	231,908	335,033	760,919	490,341
Regrants	6,900	-	-	-	-	3,062	-	9,962	-
Retreat other expenses	590	350	33,170	93	-	4,163	-	38,366	6,018
Telephone & internet	181	-	56	18	-	8,979	18	9,252	10,915
Travel	80,264	4,727	24,378	16,619	263	36,346	27,986	190,583	118,582
Website & Technology Tools	183,000	-	-	2,162	-	19,880	499	205,541	32,967
<b>Total Expenses</b>	<b>\$ 2,360,972</b>	<b>\$ 124,127</b>	<b>\$ 305,497</b>	<b>\$ 296,255</b>	<b>\$ 137,805</b>	<b>\$ 606,608</b>	<b>\$ 546,909</b>	<b>\$ 4,378,173</b>	<b>\$ 2,188,315</b>

The accompanying notes are an integral part of these financial statements

VOTO LATINO, INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from grants and contributions	\$ 2,287,793	\$ 968,464
Cash received from individuals	2,315,301	542,176
Cash received from sponsors	382,457	208,494
Cash received from affiliate	100,000	364,000
Cash received for reimbursements	12,446	-
Cash paid to employees and related benefits	(871,817)	(1,143,672)
Cash paid to consultants	(592,204)	(146,950)
Cash paid for information technology and website	(153,432)	(33,901)
Cash paid for digital outreach	(130,564)	(8,231)
Cash paid for mobile text message services	(117,675)	(59,835)
Cash paid for promotional and outreach	(1,284,882)	(12,117)
Cash paid for media	(51,027)	-
Cash paid for legal fees	(32,684)	(14,789)
Cash paid for accounting fees	(45,690)	(29,520)
Cash paid for rent and utilities	(109,120)	(97,515)
Cash paid for events	(247,103)	(154,021)
Cash paid for travel	(184,700)	(122,823)
Cash paid to suppliers and vendors	(280,538)	(158,650)
<b>Net cash provided (used) by operating activities</b>	<u><b>996,561</b></u>	<u><b>101,110</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Security deposit	(19,259)	-
<b>Net cash flows from financing activities</b>	<u><b>(19,259)</b></u>	<u><b>-</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment and furniture	(7,575)	-
<b>Net cash flows from investing activities</b>	<u><b>(7,575)</b></u>	<u><b>-</b></u>
<b>Net increase in cash and cash equivalents</b>	<b>969,727</b>	<b>101,110</b>
Cash, beginning of year	374,300	273,190
<b>CASH &amp; CASH EQUIVALENT, END OF YEAR</b>	<u><u><b>\$ 1,344,027</b></u></u>	<u><u><b>\$ 374,300</b></u></u>

The accompanying notes are an integral part of these financial statements



**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**1. ORGANIZATION AND ACTIVITIES**

*Organization*

Voto Latino is a pioneering civic media organization that seeks to transform America by recognizing Latinos' innate leadership. Through innovative digital campaigns, that on average reach 1.9 million people on Facebook and 6 million on Twitter, pop culture, and grassroots voices, we provide culturally relevant programs that engage, educate and empower Latinos to be agents of change. Together, we aim to build a stronger and more inclusive democracy. To learn more about Voto Latino, visit [www.VotoLatino.org](http://www.VotoLatino.org).

*Programs*

**Civic Engagement:** Through voter education, registration, and Get Out the Vote efforts, we encourage our audience of Millennial Latinos to make their voices heard in local and national elections. In 2018, Voto Latino worked to inform and register to vote Latino Millennials, their families, and their friends. Voto Latino continued an aggressive online voter registration campaign, and carried out a national Hispanic Heritage Month voter registration campaign called RISE, and a local organizing campaign, When They Go Low, We Go Local.

**Events:** Voto Latino held a series of events throughout the year, scheduled strategically to build momentum and start a national dialogue about important issues. In April, Voto Latino held the 9th annual Our Voices reception, an event during White House Correspondents Weekend that brings together a diverse cross-section of media influential to celebrate diversity in the media. Additionally, Voto Latino partnered with various partners to hold RISE events around the country during Hispanic Heritage Month.

**Issue Advocacy:** Voto Latino continues engagement beyond voting by encouraging youth to advocate on behalf of issues that are important to them. In 2018, Voto Latino worked to continuously inform our audience about issues such as immigration reform, voting rights, sexual and reproductive health and rights, race relations and police brutality, and the environment. We also were on the ground in states like TX advocating for immigrant rights and against legislation like SB4.

**Leadership Development:** Through leadership programs such as the Power Summit conference, we connect young Latinos with thought leaders, elected officials, and industry experts to network and provide the tools they need to become change makers in their communities. In 2018, Voto Latino took the Power Summit leadership development trainings on tour to different cities, including Virginia and Austin, Texas. In these Power Summits, five hundred leaders were trained in Texas, and about 75 in Virginia.

**SOMOS MAS** - The Somos Más campaign is a national, multi-generational, multi-year effort to engage and inspire young potential American Latino voters who don't see themselves in the political process but strongly value their family and community. SOMOS MÁS will unite the larger intersectional Latino community against harmful and divisive rhetoric, and lead the way back to an America that represents all of us.

## VOTO LATINO, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Financial Statement Presentation**

Net assets and revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of Voto Latino and changes therein are classified and reported as:

**Without Donor Restrictions** – Those resources not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

**With Donor Restrictions** – Those resources subject to donor-imposed restrictions that will be satisfied by action of Voto Latino or by passage of time.

##### **Basis of Accounting**

The financial statements of Voto Latino have been prepared on the accrual basis. Under the accrual basis of accounting, income is recognized in the period it is earned, and expenses are recognized when incurred.

##### **Cash and Cash Equivalents**

Voto Latino considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

##### **Change in Accounting Principles**

Voto Latino implemented FASB ASU 2016-14 in the current year, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

- The temporarily and permanently restricted net assets have been combined into a single net asset class called net assets *with donor restrictions*
- The unrestricted net assets class has been renamed net assets *without donor restrictions*.
- The format of the statement of cash flows has changed to the direct method of reporting cash flows from operations, which I believe to be more understandable for the users of our financial statements.
- The financial statements include a disclosure about liquidity and availability of resources (note 6)

##### **Property and Equipment**

Tangible assets such as computers are depreciated over three years by application of the straight line method. Furniture and equipment are depreciated over seven years by application of the straight line method. Intangible assets such as website cost development and software are depreciated over three years by application of the straight-line method. Depreciation charged to expense amounted to \$18,775 and \$36,048 in 2018 and 2017 respectively. Capital expenditures over \$1,000 are capitalized in the statement of financial position.

# VOTO LATINO, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Uncertain Tax Position**

The Financial Accounting Standard Board (FASB) released FASB ASC 740-10, Income Taxes, that provide guidance for reporting uncertainty in income taxes. For the year ended December 31, 2018, Voto Latino has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax provisions qualify for either recognition or disclosure in the financial statements.

#### **Contributions**

All contributions are considered to be without donor restrictions unless specifically communicated by the donor. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When restrictions are fulfilled in the same time period as the contribution is received, Voto Latino presents such contributions in the net assets without donor restrictions

#### **Income Taxes**

Voto Latino has qualified as a non-profit organization under Internal Revenue Code Section 501 (c) (3) and consequently pays no taxes on its exempt function income. However, Voto Latino would be liable for taxes on any unrelated business income.

#### **Functional Expenses**

Costs are charged to program services and management and general functions based on direct expenditures incurred. Expenses not directly chargeable to these functional categories are allocated based on direct personnel costs.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses and in the disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates. Management believes that actual results will not be materially different from amounts provided in the accompanying financial statements.

#### **Reclassification**

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Such reclassifications had no effect on the change in assets as previously reported.

#### **Voto Latino, Inc. 401K**

Voto Latino has a 401K plan sponsored by ADP for all its eligible employees. The employer has the option to make discretionary match. As of December 31, 2008, there was no matching contribution.

# VOTO LATINO, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Recent Accounting Changes (Not yet adopted)**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that the entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. The Alliance has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Non-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in the ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction should be accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contacts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. The Alliance as not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

#### **Subsequent Events**

Management has evaluated events and transactions subsequent to December 31, 2018 through September 23, 2019, the date the financial statements were available to be issued.

### 3. UNINSURED CASH BALANCE

Voto Latino maintains its cash balance at one financial institution which at times may exceed federal insured limits of \$250,000 under Federal Deposit Insurance Corporation (FDIC). However, Voto Latino has not experienced any losses and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

### 4. METHODS OF ALLOCATING GENERAL MANAGEMENT

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent, insurance and depreciation, which are allocated based on salaries, which are allocated on the basis of estimates of time and effort.

# VOTO LATINO, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

### 5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31, 2018:

Program support – Civic Engagement	\$ 293,750
Program support – SOMOS MAS	50,000
Time-purpose	<u>18,750</u>
<b>TOTAL</b>	<b><u>\$ 362,500</u></b>

### 6. LIQUIDITY, AVAILABILITY AND RESERVES MANAGEMENT

Voto Latino has \$1,015,509 of financial assets available within one year of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Voto Latino has calculated its financial assets available within one year of the statement of financial position date for general expenditures to be as follows:

Cash and cash equivalents	\$ 1,344,027
Accounts receivables	68,081
Due from affiliate	<u>15,901</u>
Financial assets, at year end	1,428,009
Less: contractual or donor imposed restrictions	
Purpose	( 343,750)
Time restricted	( 18,750)
Due to affiliate	<u>( 50,000)</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b><u>\$1,015,509</u></b>

Voto Latino manages its liquidity and reserves following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Maintaining sufficient reserves to provide reasonable assurances that long-term obligations will be discharged.

### 7. DEFERRED RENT

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability in the Statements of Financial Position.

The deferred rent liability for the year ended December 31, 2018 was \$10,003.

# VOTO LATINO, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

### 8. COMMITMENTS

On September 21, 2018, Voto Latino (the Tenant) signed a lease agreement with American Postal Workers Union Holding Corporation (APWU) for its headquarters in Washington, D.C. Under the terms of non-cancelable operating lease, the lease expires after 65 months from commencement date. The lease requires the following:

- A security deposit of \$32,289.39 to be held by the landlord which is subject to reduction by \$10,763.13 in accordance with the conditions and terms of the lease agreement.
- The Tenant occupies 3,039 square feet of the building and is responsible for its pro-rata share of tenant pass-through of real estate taxes and operating costs estimated at 3.88%
- Commencement date is October 1, 2018. The lease shall expire on the last day of sixty-fifth (65<sup>th</sup>) full calendar month.
- The Tenant is subject to “Abatement of Base Rental” for the first five full calendar months of the lease term but cannot exceed \$53,815.65.

The future minimum lease payments required under the operating lease is as follows:

2019	\$ 129,963
2020	133,207
2021	136,542
2022	139,962
2023	143,448
2024	<u>24,353</u>
TOTAL	<u>\$ 707,474</u>

### 9. RELATED PARTY

A related party relationship exists between Voto Latino and Voto Latino Action Fund (VLAF), an incorporated 501(c)(4) organization. The organizations share leadership and personnel. Fundraising efforts, banking and financial reporting have been separated. As of December 31, 2018, a due from VLAF of \$15,901 is recorded for payroll expenses incurred and paid for by Voto Latino.

As of December 31, 2018, there is a balance due to Voto Latino Action Fund (VLAF) for \$50,000. The contribution was intended to VLAF instead of Voto Latino.

During the course of the year, Voto Latino Action Fund made contributions to its parent organization Voto Latino in the amount of \$100,000 in support of its registration efforts and the annual power summit event.

### 10. SUPPLEMENTARY INFORMATION

The supplementary information presented on pages 13 to 16, are intended to compare financial reports of even years and odd years of VL during election and non-election years.

**SUPPLEMENTARY INFORMATION**

VOTO LATINO, INC.

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31,	2018	2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash in bank	\$ 1,344,027	\$ 273,190
Grants & pledges receivable	68,081	52,890
Other accounts receivable	9,023	7,398
Due from related party	15,901	14,615
Total Current Assets	<u>1,437,032</u>	<u>348,093</u>
<b>Property &amp; Equipment - at Cost</b>		
Furniture and equipment	33,829	26,254
Website Cost	99,000	99,000
Less: accumulated depreciation	(122,311)	(67,487)
Property & equipment, Net	<u>10,518</u>	<u>57,767</u>
<b>Other Assets</b>		
Security deposits	<u>32,289</u>	<u>13,030</u>
Total other assets	<u>32,289</u>	<u>13,030</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,479,839</u></b>	<b><u>\$ 418,890</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	391,952	42,312
Due to affiliate	50,000	-
Deferred rent	10,003	-
Deferred revenue	18,561	-
Total Current Liabilities	<u>470,516</u>	<u>42,312</u>
<b>Total Liabilities</b>	<b><u>470,516</u></b>	<b><u>42,312</u></b>
<b>Net Assets</b>		
Without donor restrictions	646,823	199,336
With donor restrictions	362,500	177,242
Total net assets	<u>1,009,323</u>	<u>376,578</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,479,839</u></b>	<b><u>\$ 418,890</u></b>



**VOTO LATINO, INC.**

**STATEMENT OF ACTIVITIES**

<b>FOR THE YEARS ENDED DECEMBER 31,</b>	<b>2018</b>	<b>2016</b>
<b>REVENUE</b>		
Grants and contributions	\$ 2,683,920	\$ 1,988,760
Sponsorships	403,518	708,142
Income from affiliate	100,000	-
Individual donations	1,381,335	730,868
Miscellaneous income	10,450	500
	<b>4,579,223</b>	<b>3,428,270</b>
<b>EXPENSES</b>		
Program Services and Expenses:		
Civic Engagement	2,360,972	2,678,259
Events	124,127	279,348
Issue Advocacy Campaigns	305,497	128,835
Leadership Development	296,255	539,459
SOMOS MAS	137,805	-
	3,224,656	3,625,901
Supporting Services Expenses:		
Management and General	606,608	256,224
Fundraising	546,909	235,124
	1,153,517	491,348
	<b>4,378,173</b>	<b>4,117,249</b>
Change in Net Assets	201,050	(688,979)
Net Assets, Beginning of Year	808,273	1,065,557
	<b>\$ 1,009,323</b>	<b>\$ 376,578</b>

VOTO LATINO, INC.

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31,	2017	2015
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash in bank	\$ 374,300	\$ 356,185
Grants & pledges receivable	591,700	628,500
Other accounts receivable	8,085	6,900
Due from related party	4,318	8,795
Prepaid expenses	7,676	11,609
Total Current Assets	<u>986,079</u>	<u>1,011,989</u>
<b>Property &amp; Equipment - at Cost</b>		
Furniture and equipment	26,254	20,788
Website Cost	99,000	99,000
Less: accumulated depreciation	(103,535)	(29,346)
Property & equipment, Net	<u>21,719</u>	<u>90,442</u>
<b>Other Assets</b>		
Security deposits	<u>13,030</u>	<u>13,030</u>
Total other assets	<u>13,030</u>	<u>13,030</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,020,828</u></b>	<b><u>\$ 1,115,461</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	<u>212,555</u>	<u>49,904</u>
Total Current Liabilities	<u>212,555</u>	<u>49,904</u>
<b>Total Liabilities</b>	<b><u>212,555</u></b>	<b><u>49,904</u></b>
<b>Net Assets</b>		
Unrestricted net assets	174,939	297,930
Temporarily restricted net assets	<u>633,334</u>	<u>767,627</u>
Total net assets	<u>808,273</u>	<u>1,065,557</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,020,828</u></b>	<b><u>\$ 1,115,461</u></b>

**VOTO LATINO, INC.**  
**STATEMENT OF ACTIVITIES**

<b>FOR THE YEARS ENDED DECEMBER 31,</b>	<b>2017</b>	<b>2015</b>
<b>REVENUE</b>		
Grants and contributions	\$ 2,047,406	\$ 1,339,168
Income from affiliate	364,000	-
Sponsorships	205,604	406,000
Contract Revenue	-	63,939
In-kind contributions	-	179,099
Miscellaneous income	3,000	5,373
	<b>2,620,010</b>	<b>1,993,579</b>
<b>EXPENSES</b>		
Program Services and Expenses:		
Civic Engagement	944,200	752,881
Events	115,319	233,775
Issue Advocacy Campaigns	122,526	249,719
Leadership Development	308,798	438,445
	1,490,843	1,674,820
Supporting Services Expenses:		
Management and General	348,739	223,667
Fundraising	348,733	218,637
	697,472	442,304
<b>TOTAL EXPENSES</b>	<b>2,188,315</b>	<b>2,117,124</b>
Change in Net Assets	431,695	(123,545)
Net Assets, Beginning of Year	376,578	1,189,102
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 808,273</b>	<b>\$ 1,065,557</b>