

**WASHINGTON OFFICE ON LATIN AMERICA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 AND 2012**

**BELL & FRECH, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
BROOKEVILLE, MD**

## WASHINGTON OFFICE ON LATIN AMERICA

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**BELL & FRECH**

*make your future soar*

CERTIFIED PUBLIC ACCOUNTANTS

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## Report of Independent Auditors

Board of Directors  
Washington Office on Latin America

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of **Washington Office on Latin America** (a nonprofit organization) which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years 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 of 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 **Washington Office on Latin America** as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Bell & Frech, LLC*

Bell and Frech, LLC  
Brookeville, MD  
May 23, 2014

**WASHINGTON OFFICE ON LATIN AMERICA**

WASHINGTON OFFICE ON LATIN AMERICA

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,

ASSETS

	<u>2013</u>	<u>2012</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,397,053	\$ 857,098
Grants and contracts receivable	111,028	497,786
Contributions receivable	37,463	9,215
Other receivables	972	3,875
Prepaid expenses and other	<u>57,305</u>	<u>48,532</u>
<b>Total Current Assets</b>	<u>1,603,821</u>	<u>1,416,507</u>
<b>Other Assets</b>		
Property and equipment, net	115,004	152,737
Investments	733,241	713,864
Security deposits	<u>27,056</u>	<u>27,056</u>
<b>Total Other Assets</b>	<u>875,301</u>	<u>893,657</u>
<b>Total Assets</b>	<u>\$ 2,479,122</u>	<u>\$ 2,310,164</u>

See independent auditors' report and notes to the financial statements.

**LIABILITIES AND NET ASSETS**

	<u>2013</u>	<u>2012</u>
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 60,866	\$ 63,216
Deferred revenue	121,233	2,500
Deferred rent	<u>16,990</u>	<u>16,990</u>
<b>Total Current Liabilities</b>	<u>199,089</u>	<u>82,706</u>
<b>Long-term Liabilities</b>		
Deferred rent	<u>182,008</u>	<u>198,484</u>
<b>Total Long-term Liabilities</b>	<u>182,008</u>	<u>198,484</u>
<b>Total Liabilities</b>	<u>381,097</u>	<u>281,190</u>
<b>Net Assets</b>		
Unrestricted		
Board-designated	733,241	713,864
Undesignated	<u>124,123</u>	<u>218,713</u>
Total unrestricted net assets	857,364	932,577
Temporarily restricted net assets	<u>1,240,661</u>	<u>1,096,397</u>
<b>Total Net Assets</b>	<u>2,098,025</u>	<u>2,028,974</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,479,122</u>	<u>\$ 2,310,164</u>

See independent auditors' report and notes to the financial statements.

WASHINGTON OFFICE ON LATIN AMERICA

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
<b>Unrestricted net assets</b>		
Unrestricted support and revenue		
Contributions	\$ 320,251	\$ 481,442
Grants and contracts	372,649	75,214
Investment income	19,801	35,892
Publications and special events	6,881	301
Donated services	3,348	-
Other (losses) income	(1,152)	1,511
Net assets released from restrictions	<u>1,471,083</u>	<u>1,282,312</u>
<b>Total Unrestricted Support and Revenue</b>	<u>2,192,861</u>	<u>1,876,672</u>
<b>Expenses</b>		
Program services	<u>1,906,405</u>	<u>1,708,428</u>
<b>Total program services</b>	<u>1,906,405</u>	<u>1,708,428</u>
Supporting services		
General and administrative	112,409	142,611
Fundraising	<u>249,260</u>	<u>239,838</u>
<b>Total supporting services</b>	<u>361,669</u>	<u>382,449</u>
<b>Total expenses</b>	<u>2,268,074</u>	<u>2,090,877</u>
<b>Change in unrestricted net assets</b>	<u>(75,213)</u>	<u>(214,205)</u>
<b>Temporarily restricted net assets</b>		
Grants and contributions	1,615,347	988,132
Net assets released from restrictions	<u>(1,471,083)</u>	<u>(1,282,312)</u>
<b>Change in temporarily restricted net assets</b>	<u>144,264</u>	<u>(294,180)</u>
<b>Change in net assets</b>	69,051	(508,385)
<b>Net assets, beginning of year</b>	<u>2,028,974</u>	<u>2,537,359</u>
<b>Net assets, end of year</b>	<u>\$ 2,098,025</u>	<u>\$ 2,028,974</u>

See independent auditors' report and notes to the financial statements.



WASHINGTON OFFICE ON LATIN AMERICA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Expenses	Supporting Services		Total Supporting Services	Total Expenses
		General and Administrative	Fundraising		
Expenses					
Salaries	\$ 915,102	\$ 72,674	\$ 102,434	\$ 175,108	\$ 1,090,210
Employee benefits and payroll taxes	175,704	13,988	19,690	33,678	209,382
Occupancy	190,796	566	21,614	22,180	212,976
Travel	285,347	7,292	15,036	22,328	307,675
Consultants	162,276	-	-	-	162,276
Meetings and receptions	43,812	3,564	63,863	67,427	111,239
Communications	25,051	-	4,709	4,709	29,760
Printing and publications	21,322	1,067	6,355	7,422	28,744
Depreciation and amortization	15,351	3,442	1,949	5,391	20,742
Professional services	18,819	1,311	1,863	3,174	21,993
Telephone	17,264	1,828	1,734	3,562	20,826
Equipment rental/purchase	8,260	519	667	1,186	9,446
Office supplies	7,600	993	1,044	2,037	9,637
Taxes and insurance	6,943	550	773	1,323	8,266
Subscriptions/reference materials	4,576	307	652	959	5,535
Postage	509	367	2,145	2,512	3,021
Repairs and maintenance	80	6	8	14	94
Bank fees	-	6,113	3	6,116	6,116
Dues/fees/licenses	1,000	678	-	678	1,678
Staff development	905	2,762	4,633	7,395	8,300
Recruitment	-	70	88	158	158
Administrative fees	5,688	(5,688)	-	(5,688)	-
	<u>\$ 1,906,405</u>	<u>\$ 112,409</u>	<u>\$ 249,260</u>	<u>\$ 361,669</u>	<u>\$ 2,268,074</u>

See independent auditors' report and notes to the financial statements.

WASHINGTON OFFICE ON LATIN AMERICA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Expenses	Supporting Services		Total Supporting Services	Total Expenses
		General and Administrative	Fundraising		
Expenses					
Salaries	\$ 817,423	\$ 81,200	\$ 111,530	\$ 192,730	\$ 1,010,153
Employee benefits and payroll taxes	153,616	15,236	21,367	36,603	190,219
Occupancy	176,619	12,089	24,363	36,452	213,071
Travel	271,019	486	9,125	9,611	280,630
Consultants	133,163	1,500	338	1,838	135,001
Meetings and receptions	23,820	3,237	54,229	57,466	81,286
Printing and publications	47,553	1,438	3,803	5,241	52,794
Depreciation and amortization	17,265	1,715	2,356	4,071	21,336
Professional services	16,494	1,523	1,701	3,224	19,718
Telephone	15,492	1,747	1,998	3,745	19,237
Equipment rental/purchase	13,275	1,024	1,525	2,549	15,824
Office supplies	10,327	788	1,071	1,859	12,186
Taxes and insurance	6,361	634	878	1,512	7,873
Subscriptions/reference materials	3,816	537	771	1,308	5,124
Postage	480	358	1,936	2,294	2,774
Repairs and maintenance	645	71	100	171	816
Bank fees	60	4,827	-	4,827	4,887
Dues/fees/licenses	1,000	203	499	702	1,702
Staff development	-	12,644	2,248	14,892	14,892
Recruitment	-	1,354	-	1,354	1,354
	<u>\$ 1,708,428</u>	<u>\$ 142,611</u>	<u>\$ 239,838</u>	<u>\$ 382,449</u>	<u>\$ 2,090,877</u>

See independent auditors' report and notes to the financial statements.

WASHINGTON OFFICE ON LATIN AMERICA

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 69,051	\$ (508,385)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	37,733	38,325
Unrealized loss on investments	(5,786)	(20,566)
Gain on disposal of assets	-	(1,340)
(Increase) decrease in:		
Grants and contracts receivable	386,758	304,912
Contributions receivable	(28,248)	10,921
Other receivable	2,903	(255)
Prepaid expenses and other	(8,773)	3,703
Increase (decrease) in:		
Accounts payable and accrued expenses	(2,350)	8,517
Deferred revenue	118,733	(2,000)
Deferred rent	(16,476)	(5,525)
	<u>553,545</u>	<u>(171,693)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>		
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(13,590)	(378,116)
Redemption of investments	-	363,727
	<u>(13,590)</u>	<u>(14,389)</u>
<b>Net Cash (Used in) Provided by Investing Activities</b>		
<b>Net (Decrease) Increase in Cash</b>	539,955	(186,082)
Cash, Beginning of year	<u>857,098</u>	<u>1,043,180</u>
<b>Cash, End of Year</b>	<u>\$ 1,397,053</u>	<u>\$ 857,098</u>
<b>Interest paid</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Taxes paid</b>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and notes to the financial statements.

## WASHINGTON OFFICE ON LATIN AMERICA

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

1. Organization

Washington Office on Latin America (WOLA) was incorporated on July 27, 1981 as a District of Columbia non-profit organization. The Organization is an independent, locally-controlled organization with a volunteer Board of Trustees.

WOLA promotes human rights, democracy, and social justice by working with partners in Latin America and the Caribbean to shape policies in the United States and abroad. WOLA envisions a future where human rights and social justice are the foundation for public policy in Latin America and the Caribbean and in the U. S. relationship with the region; where change happens when people on-the-ground connect with people who make policy, and where people work together across borders to respect human rights and democratic values. WOLA connects with partners in Latin American and the Caribbean, analyzing regional events, trends and challenges, and acting quickly to ensure that a broad range of voices are heard.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of Washington Office on Latin America is presented to assist in understanding of the financial statements.

WOLA prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when the related goods or services are received.

*Financial Statement Presentation*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board set forth in the Accounting Standards Codification. Under this guidance, WOLA is required to report information regarding its financial positions and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

WOLA accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in the Accounting Standards Codification. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

WASHINGTON OFFICE ON LATIN AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

Summary of Significant Accounting Policies, continued

*Income taxes*

WOLA has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated business.

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2013 or 2012.

WOLA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2010.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

*Cash and Cash Equivalents*

For purposes of the statements of cash flows, WOLA considers cash and all other highly liquid investments with initial maturities of three months or less to be cash equivalents.

*Fair Value*

The carrying amounts reflected in the financial statements for cash, cash equivalents, and certificates of deposit approximate the respective fair values due to the short maturities of those instruments.

**WASHINGTON OFFICE ON LATIN AMERICA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 AND 2012**

Summary of Significant Accounting Policies, continued

*Fair value, continued*

In accordance with the Accounting Standards Codification, WOLA has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instrument fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

Level 2. These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

*Property and Equipment and Leasehold Improvements*

Property and equipment, including software, and leasehold improvements with an original cost of \$2,000 or more, are carried at cost, or if donated, at the approximate fair market value at the date of donation. Items with an original cost or fair market value at the date of donation of less than \$2,000 are expensed when acquired. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using a straight-line method from three to five years for property and equipment, and over the life of the lease in the case of leasehold improvements.

WASHINGTON OFFICE ON LATIN AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

Summary of Significant Accounting Policies, continued

*Donated Materials and Services*

WOLA records the value of donated goods and services when there is an objective basis available to measure their value and they would have otherwise had to purchase the goods or services.

WOLA generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization in its work, but these services do not meet the criteria for recognition as contributed services.

*Contributions and Grants*

Contributions and grants received are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All other donor-restricted support is reported as an increase 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 the purpose of the 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.

WOLA uses the allowance method to determine uncollectible contributions and grants receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

*Expense Allocation*

The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services provided.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WASHINGTON OFFICE ON LATIN AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

Summary of Significant Accounting Policies, continued

*Date of Management's Review*

Management has evaluated subsequent events through May 23, 2014, the date on which the financial statements were available to be issued.

*Reclassification*

Certain items in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on previously reported net income.

3. Investments

The Organization purchased marketable equity securities in 2011. Investment securities are carried at fair value based on quoted prices in active markets (all Level 1 inputs) and consist of the following at December 31, 2013 and 2012:

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 211,558	\$ 211,558	\$ 230,587	\$ 230,587
Equity funds	166,368	202,222	153,060	158,838
Bond funds	298,345	283,491	280,546	289,319
REIT funds	<u>34,509</u>	<u>35,970</u>	<u>32,996</u>	<u>35,120</u>
	<u>\$ 710,780</u>	<u>\$ 733,241</u>	<u>\$ 697,189</u>	<u>\$ 713,864</u>



WASHINGTON OFFICE ON LATIN AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

Investments, continued

Fair Value Measurements at Reporting Date Using

<u>Description</u>	<u>12/31/13</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	<u>733,241</u>	<u>733,241</u>	<u>-</u>	<u>-</u>
Total	\$ <u>733,241</u>	\$ <u>733,241</u>	\$ <u>-</u>	\$ <u>-</u>

<u>Description</u>	<u>12/31/12</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	<u>713,864</u>	<u>713,864</u>	<u>-</u>	<u>-</u>
Total	\$ <u>713,864</u>	\$ <u>713,864</u>	\$ <u>-</u>	\$ <u>-</u>

A summary of return on investments consists of the following for the years ended December 31, 2013 and 2012, respectively:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 12,849	\$ 12,323
Capital gains	1,167	2,413
Net unrealized gain	<u>5,785</u>	<u>20,566</u>
Total return	\$ <u>19,801</u>	\$ <u>35,302</u>

The investment account represents the amount that has been set aside by the Board of Directors as a reserve (see Note 11).

WASHINGTON OFFICE ON LATIN AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

4. Grants, Contracts and Contributions Receivable

All of the grants and contributions receivable reported in the accompanying financial statements are expected to be collected within one year. Management believes that all items are collectible in full. Accordingly, no allowance for uncollectible accounts has been recorded for the years ended December 31, 2013 and 2012.

5. Property and Equipment

Property and equipment consists of the following:

	<u>2013</u>	<u>2012</u>
Leasehold improvements	\$ 228,715	\$ 228,715
Furniture and equipment	52,590	54,475
Web site	<u>25,410</u>	<u>25,410</u>
	306,715	308,600
Less accumulated depreciation	<u>(191,711)</u>	<u>(155,863)</u>
Net property and equipment	\$ <u>115,004</u>	\$ <u>152,737</u>

6. Tax Shelter Annuity Plan

WOLA has adopted a plan to purchase annuity contracts for its employees under the provisions of Section 403(b) of the Internal Revenue Code. The plan was issued by TIAA-CREF. The annual plan contribution is up to five percent matching contribution of eligible employees' salaries. Retirement plan expense for the year ended December 31, 2013 and 2012 was \$25,441 and \$25,009, respectively.

7. Deferred Rent

In connection with the lease for office space (see Note 8) WOLA is responsible for certain annual increases, and also received certain incentives for leasehold improvements totaling \$169,899. WOLA recognized the effect of such increases and incentives by recording a deferred rent liability. The deferred rent liability consists of the effects of the scheduled rent increases and the unamortized portion related to the incentives received for leasehold improvements. The deferred rent liability is increased or decreased by changes to rent expense over the lease-term on a straight-line basis. At December 31, 2013 and 2012 the deferred rent liability balance was \$198,998 and \$215,474, respectively.

WASHINGTON OFFICE ON LATIN AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

8. Lease Commitments

WOLA signed a lease for office space in December 2007, with a commencement date of July 1, 2008, and expiration date of June 30, 2018. The lease agreement provides for an annual increase of 2.5% to the base rent, except on the fifth anniversary date when the basic rent shall increase by one dollar and fifty cents per square foot. The agreement also provides for an option to extend the lease for an additional five-year term.

WOLA leases office equipment under an agreement which expires in 2018. The monthly payment under this lease is \$565.

The future minimum lease payments on an annual basis are as follows:

Year ending December 31,	<u>Amount</u>
2014	\$ 382,962
2015	392,367
2016	402,007
2017	411,888
2018	<u>206,752</u>
Total	\$ <u>1,795,976</u>

In December 2007, WOLA entered into a sublease agreement for a portion of the office space for a period of five years. The sublease was amended in 2012 and again in 2013 to allow for retention of a portion of the space, which had been scheduled to return to WOLA in 2012, for an additional year on each occasion. The rental income is reported as a reduction of occupancy expense. The future minimum rental income from this sublease is as follows:

Year ending December 31,	<u>Amount</u>
2014	\$ <u>81,000</u>

WASHINGTON OFFICE ON LATIN AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

9. Concentrations

*Donors*

Two donors accounted for 33.4% of revenue in 2013, one of whom accounted for 14.2% of pledges receivable at December 31, 2013. A third donor accounted for 81.1% of pledges receivable at December 31, 2013.

Three donors accounted for 49.8% of revenue in 2012, two of whom accounted for 84.6% of pledges receivable at December 31, 2012. A third donor accounted for 15.1% of pledges receivable at December 31, 2012.

10. Donated Services

During 2013, various entities provided pro bono goods and services valued at \$3,348 to the organization for its annual gala. These services are included in meetings and receptions in the fundraising column of the statement of functional expenses.

11. Board-designated Reserve

The Board of Directors has designated a portion of net assets for the following purpose:

	<u>2013</u>	<u>2012</u>
Reserve	\$ <u>733,241</u>	\$ <u>713,864</u>

WASHINGTON OFFICE ON LATIN AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

12. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of December 31:

	<u>2012</u>	<u>Additions</u>	<u>Releases</u>	<u>2013</u>
Andes Drug Policy	\$ 107,421	\$ 626,000	\$ 243,284	\$ 490,137
Cuba	11,715	341,000	220,333	132,382
Colombia	-	188,412	188,412	-
Human Rights	65,017	37,935	36,306	66,646
Mexico	105,631	33,000	118,589	20,042
Gangs	10,469	90,000	75,469	25,000
Rights & Development	36,333	-	36,333	-
Security policy	159,811	299,000	252,357	206,454
Time-restricted 2013	300,000	-	300,000	-
Time-restricted 2014	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Total	<u>\$ 1,096,397</u>	<u>\$ 1,615,347</u>	<u>\$ 1,471,083</u>	<u>\$ 1,240,661</u>