

**WASHINGTON OFFICE ON LATIN AMERICA**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2024 AND 2023**

## TABLE OF CONTENTS

	<u>Page No.</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statement of Activities – Year Ended December 31, 2024	4
Statement of Activities – Year Ended December 31, 2023	5
Statement of Functional Expenses – Year Ended December 31, 2024	6
Statement of Functional Expenses – Year Ended December 31, 2023	7
Statements of Cash Flows	8 - 9
Notes to the Financial Statements	10 - 21



CERTIFIED PUBLIC ACCOUNTANTS

10500 Little Patuxent Parkway  
Suite 770  
Columbia, Maryland 21044  
(410) 884-0220  
Fax: (301) 596-5471

## Independent Auditor's Report

The Board of Directors  
Washington Office on Latin America  
Washington, DC

### **Opinion**

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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2024 and 2023, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Washington Office on Latin America and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Office on Latin America's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements
- Obtain an understanding of internal control relevant to the audit 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 Washington Office on Latin America's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Office on Latin America's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Columbia, MD  
July 31, 2025

**WASHINGTON OFFICE ON LATIN AMERICA  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2024 AND 2023**

**ASSETS**

	2024	2023
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 294,121	\$ 583,976
Restricted cash	7,500	-
Grants receivable, current portion	350,000	530,350
Contributions receivable	8,334	27,250
Pledges receivable	-	52,018
Accounts receivable	-	21,583
Prepaid expenses	51,253	82,091
Employee advances	17,359	7,655
Total Current Assets	728,567	1,304,923
<b>OTHER ASSETS</b>		
Grants receivable, net of current portion and discount	-	388,350
Property and equipment, net	381,846	451,273
Investments	866,040	1,133,585
Right-of-use asset - operating lease	836,512	956,264
Right-of-use asset - finance lease	18,958	28,653
Security deposit	21,371	21,371
Total Other Assets	2,124,727	2,979,496
<b>TOTAL ASSETS</b>	<b>\$ 2,853,294</b>	<b>\$ 4,284,419</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 8,651	\$ 7,021
Accrued expenses	46,449	52,991
Lease liability - operating lease, current portion	217,530	202,768
Lease liability - finance lease, current portion	9,829	9,695
Deferred revenue	-	105,875
Funds held for others	7,500	-
Total Current Liabilities	289,959	378,350
<b>LONG-TERM LIABILITIES</b>		
Lease liability - operating lease, net of current portion	1,208,894	1,426,424
Lease liability - finance lease, net of current portion	9,129	18,958
Total Long-Term Liabilities	1,218,023	1,445,382
Total Liabilities	1,507,982	1,823,732
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	31,526	60,472
Board designated - reserve	866,040	1,133,585
Total net assets without donor restrictions	897,566	1,194,057
With donor restrictions	447,746	1,266,630
Total Net Assets	1,345,312	2,460,687
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,853,294</b>	<b>\$ 4,284,419</b>

The accompanying notes are an integral part of these financial statements.

**WASHINGTON OFFICE ON LATIN AMERICA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 1,340,837	\$ 391,462	\$ 1,732,299
Government grants	105,875	-	105,875
Special events	145,561	-	145,561
Pledges	82,793	-	82,793
Programs	37,325	-	37,325
Other income	265	-	265
Investment income, net	82,454	-	82,454
Net assets released from restrictions	1,210,346	(1,210,346)	-
Total Revenue and Support	<u>3,005,456</u>	<u>(818,884)</u>	<u>2,186,572</u>
<b>EXPENSES</b>			
Program Services	2,427,064	-	2,427,064
Support Services:			
General and administration	382,179	-	382,179
Fundraising	492,704	-	492,704
Total Support Services	<u>874,883</u>	<u>-</u>	<u>874,883</u>
Total Expenses	<u>3,301,947</u>	<u>-</u>	<u>3,301,947</u>
<b>CHANGE IN NET ASSETS</b>	(296,491)	(818,884)	(1,115,375)
<b>NET ASSETS</b> , beginning of year	<u>1,194,057</u>	<u>1,266,630</u>	<u>2,460,687</u>
<b>NET ASSETS</b> , end of year	<u>\$ 897,566</u>	<u>\$ 447,746</u>	<u>\$ 1,345,312</u>

The accompanying notes are an integral part of these financial statements.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 652,590	\$ 485,871	\$ 1,138,461
Government grants	420,715	-	420,715
Special events	22,809	-	22,809
Pledges	318,812	-	318,812
Programs	88,692	-	88,692
Other income	1,236	-	1,236
Interest income	73	-	73
Investment income, net	125,977	-	125,977
Net assets released from restrictions	1,122,206	(1,122,206)	-
Total Revenue and Support	<u>2,753,110</u>	<u>(636,335)</u>	<u>2,116,775</u>
<b>EXPENSES</b>			
Program Services	2,982,680	-	2,982,680
Support Services:			
General and administration	521,839	-	521,839
Fundraising	512,020	-	512,020
Total Support Services	<u>1,033,859</u>	<u>-</u>	<u>1,033,859</u>
Total Expenses	<u>4,016,539</u>	<u>-</u>	<u>4,016,539</u>
<b>CHANGE IN NET ASSETS</b>	(1,263,429)	(636,335)	(1,899,764)
<b>NET ASSETS</b> , beginning of year	<u>2,457,486</u>	<u>1,902,965</u>	<u>4,360,451</u>
<b>NET ASSETS</b> , end of year	<u>\$ 1,194,057</u>	<u>\$ 1,266,630</u>	<u>\$ 2,460,687</u>

The accompanying notes are an integral part of these financial statements.

**WASHINGTON OFFICE ON LATIN AMERICA  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2024**

	Support Services			Total Support Services	TOTAL
	Program Services	General and Administration	Fundraising		
Personnel Expense:					
Salaries and related expenses	\$ 1,424,067	\$ 185,880	\$ 190,963	\$ 376,843	\$ 1,800,910
Payroll taxes	118,059	15,169	15,712	30,881	148,940
Benefits and insurance	232,430	31,927	33,495	65,422	297,852
Retirement benefits	47,026	6,610	6,754	13,364	60,390
Subtotal Personnel Expense	<u>1,821,582</u>	<u>239,586</u>	<u>246,924</u>	<u>486,510</u>	<u>2,308,092</u>
Accounting and audit	-	36,809	-	36,809	36,809
Amorization of finance lease	-	9,695	-	9,695	9,695
Bad debt	-	15,276	-	15,276	15,276
Bank and credit card fees	45	1,669	-	1,669	1,714
Communications	9,340	263	15,964	16,227	25,567
Contribution	30,000	-	-	-	30,000
Consultants	173,151	3,927	53,405	57,332	230,483
Depreciation and amortization	71,740	8,778	9,017	17,795	89,535
Dues, fees and licenses	2,451	842	6,653	7,495	9,946
Equipment rental and maintenance	19,482	5,926	8,021	13,947	33,429
Insurance	11,514	1,581	1,639	3,220	14,734
Interest	-	332	-	332	332
Meetings and conferences facilities	9,026	14,098	81,008	95,106	104,132
Occupancy	144,039	19,624	20,423	40,047	184,086
Office expenses	1,582	2,465	2,586	5,051	6,633
Postage	-	41	1,476	1,517	1,517
Printing	10,618	3,194	6,725	9,919	20,537
Recruitment	-	766	-	766	766
Staff development	475	5,418	-	5,418	5,893
Subscriptions and reference materials	25,685	2,819	16,862	19,681	45,366
Telephone and internet	33,672	5,103	4,864	9,967	43,639
Travel	62,662	3,967	17,137	21,104	83,766
Total Expenses	<u>\$ 2,427,064</u>	<u>\$ 382,179</u>	<u>\$ 492,704</u>	<u>\$ 874,883</u>	<u>\$ 3,301,947</u>

The accompanying notes are an integral part of these financial statements.

**WASHINGTON OFFICE ON LATIN AMERICA  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023**

	Support Services				TOTAL
	Program Services	General and Administration	Fundraising	Total Support Services	
Personnel Expense:					
Salaries and related expenses	\$ 1,542,082	\$ 199,919	\$ 268,745	\$ 468,664	\$ 2,010,746
Payroll taxes	126,969	16,260	21,881	38,141	165,110
Benefits and insurance	239,955	31,441	41,999	73,440	313,395
Retirement benefits	50,755	6,610	9,011	15,621	66,376
Subtotal Personnel Expense	<u>1,959,761</u>	<u>254,230</u>	<u>341,636</u>	<u>595,866</u>	<u>2,555,627</u>
Accounting and audit	-	33,501	-	33,501	33,501
Amorization of finance lease	-	9,564	-	9,564	9,564
Bad debt	-	42,311	-	42,311	42,311
Bank and credit card fees	69	6,884	-	6,884	6,953
Communications	42,253	623	7,821	8,444	50,697
Consultants	434,469	63,972	27,907	91,879	526,348
Depreciation and amortization	100,491	15,407	17,862	33,269	133,760
Dues, fees and licenses	1,192	410	3,895	4,305	5,497
Equipment rental and maintenance	17,976	3,218	3,129	6,347	24,323
Insurance	10,994	1,423	1,953	3,376	14,370
Interest	-	464	-	464	464
Meetings and conferences facilities	27,984	12,228	47,023	59,251	87,235
Occupancy	137,567	21,619	20,659	42,278	179,845
Office expenses	3,341	910	2,492	3,402	6,743
Postage	140	166	2,171	2,337	2,477
Printing	6,932	939	6,667	7,606	14,538
Recruitment	-	13,321	-	13,321	13,321
Staff development	-	3,504	-	3,504	3,504
Subscriptions and reference materials	42,675	4,393	6,233	10,626	53,301
Telephone and internet	44,984	5,868	8,026	13,894	58,878
Travel	151,852	26,884	14,546	41,430	193,282
Total Expenses	<u>\$ 2,982,680</u>	<u>\$ 521,839</u>	<u>\$ 512,020</u>	<u>\$ 1,033,859</u>	<u>\$ 4,016,539</u>

The accompanying notes are an integral part of these financial statements.

**WASHINGTON OFFICE ON LATIN AMERICA  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,115,375)	\$ (1,899,764)
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	89,535	133,760
Amortization of right-of-use asset - operating lease	119,752	261,718
Amortization of right-of-use asset - finance lease	9,695	9,564
Loss on sales of donated securities	-	15,113
Investment income	(60,376)	(141,090)
Discount on grants receivable	-	24,350
Decrease (increase) in assets:		
Grants receivable	568,700	542,056
Contributions receivable	18,916	17,553
Pledges receivable	52,018	(44,338)
Accounts receivable	21,583	50,162
Prepaid expenses	30,838	(37,339)
Employee advances	(9,704)	1,115
Security deposit	-	2,819
Increase (decrease) in liabilities:		
Accounts payable	1,630	(55,946)
Accrued expenses	(6,542)	(18,959)
Lease liability - operating lease	(202,768)	(188,728)
Deferred revenue	(105,875)	(38,126)
Funds held for others	7,500	-
Net Cash Provided by (Used for) Operating Activities	(580,473)	(1,366,080)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(428,277)	(399,452)
Proceeds from sales of investments	756,198	399,213
Purchases of property and equipment	(20,108)	-
Net Cash Provided by (Used for) Investing Activities	307,813	(239)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on finance lease	(9,695)	(9,564)
Net Cash Provided by (Used for) Financing Activities	(9,695)	(9,564)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (282,355)</b>	<b>\$ (1,375,883)</b>

The accompanying notes are an integral part of these financial statements.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(continued)

	<u>2024</u>	<u>2023</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(282,355)	(1,375,883)
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH,</b> beginning of year	<u>583,976</u>	<u>1,959,859</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH,</b> end of year	<u>\$ 301,621</u>	<u>\$ 583,976</u>
<b>SUPPLEMENTARY DISCLOSURES:</b>		
Cash paid for interest	<u>\$ 332</u>	<u>\$ 464</u>
<b>SUPPLEMENTARY DISCLOSURES:</b>		
Cash and cash equivalents	\$ 294,121	\$ 583,976
Restricted cash	<u>7,500</u>	<u>-</u>
<b>TOTAL CASH, CASH EQUIVALENTS</b> <b>AND RESTRICTED CASH</b>	<u>\$ 301,621</u>	<u>\$ 583,976</u>

The accompanying notes are an integral part of these financial statements.

**WASHINGTON OFFICE ON LATIN AMERICA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE A – NATURE OF THE ORGANIZATION AND PROGRAM SERVICES**

Washington Office on Latin America (“WOLA” or the “Organization”) was incorporated on July 27, 1981, as a District of Columbia nonprofit organization. WOLA is a leading research and advocacy organization advancing human rights in the Americas. The Organization envisions a future where public policies protect human rights and recognize human dignity, and where justice overcomes violence. WOLA tackles problems that transcend borders and demand cross-border solutions. The Organization creates strategic partnerships with courageous people making social change - advocacy organizations, academics, religious and business leaders, artists, and government officials. Together, WOLA and its partners advocate for more just societies in the Americas.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenue and related assets are recognized when earned, and expenses and related liabilities are recognized as the obligations are incurred.

Financial Statement Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. In accordance with Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets. Accordingly, the net assets of the Organization and changes therein, are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets not subject to donor-imposed restrictions or stipulations.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed stipulations that may or will be met by either actions of the Organization and/or the passage of time, or that must be maintained in perpetuity by the Organization. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with original maturities of three months or less and money market accounts, to be cash equivalents. The Organization has certain bank accounts with financial institutions which, at times, may exceed the Federal Deposit Insurance Corporation’s (“FDIC”) insurance limit of \$250,000 per institution. At times, balances in these accounts may exceed the FDIC insured limit. However, the Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Restricted Cash

The restricted cash for WOLA resulted from funds held on behalf of others related to a grant where WOLA acted as the fiscal agent for a nonprofit organization.

Grants, Contributions and Accounts Receivable

Grants, contributions and accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on individual credit evaluation and specific circumstances of the parties involved. As of December 31, 2024 and 2023, management has determined that all significant grants, contributions and accounts receivable are collectible; therefore, an allowance for doubtful accounts has not been established. Receivables that are expected to be collected in future years are recorded at the discounted present value of their estimated future cash flows. As of the beginning of the year ended December 31, 2023, accounts receivable totaled \$71,745.

Pledges Receivable

Unconditional promises to give are recognized in the period received. Conditional promises to give are recognized only when the conditions on which the promises depend are substantially met, in which case, the promises become unconditional. As of December 31, 2024 and 2023, management has determined that all significant pledges receivable are collectible; therefore, an allowance for doubtful pledges has not been established.

Investments

Investments in marketable securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Dividends are recorded on the ex-dividend date. Interest is recognized when earned. Purchases and sales of investments are reflected on a trade-date basis. Investment income is recognized on the statements of activities in the period in which the changes occur, and are recorded net of investment fees incurred. Donated securities are recorded at fair value on the date of the gift.

Property and Equipment

Purchased property and equipment are capitalized at cost and are depreciated and amortized on a straight-line basis over their estimated useful lives, which range from three to fourteen years depending on the type of asset. Donated property and equipment are capitalized at fair value on the date of donation. Expenditures greater than \$2,000, which increase the asset's useful life, are capitalized, while repairs and maintenance are generally expensed.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Right-of-Use (“ROU”) Assets and Lease Liabilities

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight-line basis over the lease term.

The Organization is a lessee in several noncancellable leases for building space and equipment. Leases for equipment were evaluated using the criteria outlined in ASC Topic 842 to determine whether the equipment leases were operating or finance leases.

All equipment leases were determined to be finance leases, and are recorded separately from the building lease on the statements of financial position as both a right-of-use (“ROU”) asset and a lease liability, calculated by discounting fixed lease payments over the lease term at the risk-free rate. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use asset is amortized over the lease term.

For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line rent expense over the lease term. Variable lease expenses, if any, are recognized when incurred.

The Organization excludes short-term leases having initial terms of 12 months or less from the above classification as an accounting policy.

Revenue Recognition Policies

*Grants and Contributions* – The Organization recognizes grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support. Cash received in excess of revenue recognized is recorded as deferred revenue on the statements of financial position.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Revenue Recognition Policies – continued

*Government Grants* – Government grants are received primarily from foreign governments and are considered conditional in nature. These grants are also subject to audit by the grantor agencies, which could result in a request for reimbursement by the agency for expenditures disallowed under the terms and conditions of the appropriate grantor. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. As of the beginning of the year ended December 31, 2023, deferred revenue totaled \$144,001.

*Pledges* – Pledges are earned from unconditional and conditional promises to give. Unconditional promises to give are recognized at a point in time when the pledge is made. Conditional promises to give are recognized at a point in time when the conditions on which the promises depend have been substantially met, in which case, the pledges become unconditional.

*Special Events* – Special events revenue is received for fundraising events held by the Organization, and is recognized at a point in time when the event takes place.

*Programs* – Program revenue is primarily from contracts, honoraria, and site trip reimbursements, and is recognized at a point in time when services are provided.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or support functions. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include salaries and related expenses, as well as occupancy costs, depreciation and amortization, office expenses and other general organizational costs, which are allocated on the basis of time and effort expended.

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 certain reported amounts of revenue and expenses during the reporting periods and reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**NOTE C – INCOME TAXES**

WOLA is a 501(c)(3) organization exempt from federal and state income taxes under Section 501(a) of the Internal Revenue Code. The Organization is, however, subject to tax on business income unrelated to the respective exempt purposes. The Internal Revenue Service (“IRS”) has determined that the Organization is not a private foundation, and it files information returns as required.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE C – INCOME TAXES – continued**

The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There were no unrecognized tax benefits or liabilities that needed to be recorded.

The Organization’s information returns are subject to examination by the IRS for a period of three years from the date they were filed, except under certain circumstances. The Organization’s information returns for the years ended December 31, 2021 through 2023, are open for an IRS examination, although no request has been made as of the date of these financial statements.

**NOTE D – AVAILABLE RESOURCES AND LIQUIDITY**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization strives to maintain liquid financial assets sufficient to cover at least 25% of the annual budget for a given year. The Organization also operates with a budget plan that anticipates collecting sufficient revenue to cover general expenditures. Although the Organization does not intend to use funds from its board designated reserve (see Note I), funds could be made available through board resolution, if necessary, to meet cash flow needs within one year. In addition, \$350,000 of net assets with donor restrictions as of December 31, 2024, are expected to be used within one year.

The following table reflects the Organization’s financial assets as of December 31, 2024 and 2023, that are available to meet general expenditures within one year of the statements of the financial position date:

	2024	2023
Cash and cash equivalents	\$ 294,121	\$ 583,976
Grants receivable, current	350,000	530,350
Contributions receivable	8,334	27,250
Pledges receivable	-	52,018
Accounts receivable	-	21,583
Total Financial Assets	652,455	1,215,177
Less: net assets with donor-imposed restrictions	(97,746)	(428,280)
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	\$ 554,709	\$ 786,897

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE E – GRANTS RECEIVABLE**

Grants receivable consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Amounts due in:		
Less than one year	\$ 350,000	\$ 530,350
One to five years	-	400,000
Grants receivable	<u>350,000</u>	<u>930,350</u>
Less: discount at the rate of 3%	-	(11,650)
Grants Receivable, Net	<u><u>\$ 350,000</u></u>	<u><u>\$ 918,700</u></u>

**NOTE F – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Leasehold improvements	\$ 505,749	\$ 505,749
Furniture and equipment	55,462	55,462
Website	<u>110,721</u>	<u>90,613</u>
Total Property and Equipment	671,932	651,824
Less: accumulated depreciation and amortization	<u>(290,086)</u>	<u>(200,551)</u>
Property and Equipment, Net	<u><u>\$ 381,846</u></u>	<u><u>\$ 451,273</u></u>

Depreciation and amortization expense for the years ended December 31, 2024 and 2023, was \$89,535 and \$133,760, respectively.

**NOTE G – INVESTMENTS AND FAIR VALUE MEASUREMENT**

FASB ASC Topic 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

*Level 1* – Inputs are based on unadjusted quoted prices for identical assets traded in an active market that the Organization has the ability to access.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE G – INVESTMENTS AND FAIR VALUE MEASUREMENT – continued**

*Level 2* – Inputs are based on quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

*Level 3* – Inputs are unobservable and significant to the overall fair value measurement.

The following is a description of the valuation methodologies used to measure investments at fair value: money market funds are valued at the closing price reported by the fund sponsor from an actively traded exchange. Common stocks and mutual funds are valued at the observable closing price reported in the active market in which the individual securities are traded. The fair value of corporate, government and municipal bonds have been reported by the Organization’s investment managers and custodian banks, who use a variety of pricing sources to determine market values, including indexes for each section of the market.

The preceding valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Organization’s management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

The following table presents the Organization’s fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 105,458	\$ -	\$ -	\$ 105,458
Common stocks	480,445	-	-	480,445
Mutual funds - equity	49,776	-	-	49,776
Mutual funds - fixed income	64,324	-	-	64,324
Corporate bonds	-	10,339	-	10,339
Government bonds	-	69,671	-	69,671
Municipal bonds	-	86,027	-	86,027
Total	<u>\$ 700,003</u>	<u>\$ 166,037</u>	<u>\$ -</u>	<u>\$ 866,040</u>

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE G – INVESTMENTS AND FAIR VALUE MEASUREMENT – continued**

The following table presents the Organization’s fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 197,645	\$ -	\$ -	\$ 197,645
Common stocks	204,016	-	-	204,016
Mutual funds - equity	325,242	-	-	325,242
Mutual funds - fixed income	375,924	-	-	375,924
Government bonds	-	20,108	-	20,108
Municipal bonds	-	10,650	-	10,650
Total	<u>\$ 1,102,827</u>	<u>\$ 30,758</u>	<u>\$ -</u>	<u>\$ 1,133,585</u>

**NOTE H – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets were designated by donors for the following purposes as of December 31:

	<u>2024</u>	<u>2023</u>
Research and advocacy programs	\$ 97,746	\$ 428,280
Time restricted	350,000	838,350
Total Net Assets with Donor Restrictions	<u>\$ 447,746</u>	<u>\$ 1,266,630</u>

**NOTE I – BOARD DESIGNATED RESERVE**

The Board of Directors has designated the investments held by WOLA as a reserve to help finance the Organization's operations in times of financial hardship as well as provide for some limited investment returns. During the year ended December 31, 2024, the board approved the release of \$350,000 to cover the Organization's operating needs. The balance of the board designated reserve for the years ended December 31, 2024 and 2023, totaled \$866,040 and \$1,133,585, respectively.

**NOTE J – OPERATING LEASES**

WOLA signed a lease for office space in December 2007, with a commencement date of July 1, 2008, and an expiration date of June 30, 2018. The lease agreement was amended in April and November 2017, with an expiration date of June 30, 2024.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE J – OPERATING LEASES – continued**

On December 29, 2022, WOLA amended its lease again for office space effective January 1, 2023. The lease is now scheduled to expire on July 31, 2030, with an option to extend the lease for an additional term of five years. Under the amendment, WOLA surrendered 1,861 square feet of previously leased office space, and has a remaining leased space of 5,575 square feet. The landlord also provided WOLA with an improvement allowance not to exceed \$501,750 to be used towards design and construction costs. WOLA had utilized the full amount of the tenant improvement allowance as of December 31, 2023.

The balance of the ROU operating assets is as follows:

	<u>2024</u>	<u>2023</u>
Operating lease, ROU assets - office space	\$ 1,217,982	\$ 1,217,982
Amortization of ROU operating asset	<u>(381,470)</u>	<u>(261,718)</u>
Operating Lease ROU Asset, Net	<u>\$ 836,512</u>	<u>\$ 956,264</u>

Average lease terms and discount rates were as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term	5.58 years	6.58 years
Weighted average discount rate	3.91%	3.91%

The balance of the ROU asset for the operating lease as of December 31, 2022, was \$1,719,732, which includes the build-out allowance of \$501,750. During 2023, the build-out allowance was reclassified to property and equipment, and is being amortized on a straight-line basis over the remaining lease term. For the years ended December 31, 2024 and 2023, occupancy expenses totaled \$184,086 and \$179,845, respectively.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE J – OPERATING LEASES – continued**

The following are the future maturities of operating lease liability for the years ending December 31:

2025	\$ 269,433
2026	276,169
2027	283,073
2028	290,150
2029	297,403
Thereafter	<u>177,822</u>
Total future lease payments	\$ 1,594,050
Less: discount	<u>(167,626)</u>
Total Lease Liability	<u><u>\$ 1,426,424</u></u>

**NOTE K – FINANCE LEASE**

In October 2021, WOLA entered into a finance lease agreement for office equipment. The lease requires monthly payments of \$836 through November 2026. All obligations under the finance lease have been recorded at the present value of future minimum lease payments, discounted at an interest rate of 1.37% per annum. The lease is secured by the equipment. For the years ended December 31, 2024 and 2023, amortization expense totaled \$9,695 and \$9,564, respectively. For the years ended December 31, 2024 and 2023, interest expense totaled \$332 and \$464, respectively.

The balance of the ROU finance assets is as follows as of December 31:

	2024	2023
Finance lease, ROU assets - equipment	\$ 47,650	\$ 47,650
Amortization of ROU finance asset	<u>(28,692)</u>	<u>(18,997)</u>
Finance Lease ROU Asset, Net	<u><u>\$ 18,958</u></u>	<u><u>\$ 28,653</u></u>

Average lease terms and discount rates were as follows as of December 31:

	2024	2023
Weighted average remaining lease term	1.92 years	2.92 years
Weighted average discount rate	1.37%	1.37%

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE K – FINANCE LEASE – continued**

Future minimum lease payments are as follows for the years ending December 31:

	2025	\$ 10,027
	2026	9,192
Subtotal		19,219
Less: amount representing interest		(261)
Total Finance Lease Liability		\$ 18,958

**NOTE L – RETIREMENT PLAN**

In January 2017, the Board of Directors authorized the establishment of the Washington Office on Latin America 403(b) Plan (the “Plan”). The Organization sponsors the Plan, and all permanent employees who work over 20 hours per week are eligible to make elective salary deferral contributions beginning on their hire date. In addition, employees are eligible to receive discretionary employer matching contributions of up to 5% of compensation after reaching age 21 and completing two years of consecutive service. Employer matching contributions to the Plan for the years ended December 31, 2024 and 2023, totaled \$60,390 and \$66,376, respectively.

**NOTE M – CONCENTRATIONS**

Three donors accounted for approximately 37% of total revenue recognized for the year ended December 31, 2024. One donor accounted for 100% of the balance of the grants receivable outstanding as of December 31, 2024.

Three donors accounted for approximately 38% of total revenue recognized for the year ended December 31, 2023. One donors accounted for approximately 51% of the balance of the grants receivable outstanding as of December 31, 2023.

WOLA typically receives large multi-year grants that get disbursed over multiple years. The receivable concentration reflects grants receivable for multiple years. Revenue concentration reflects the revenue recognized in the years under audit.

**NOTE N – FINANCIAL CONDITION**

Due to changes in the philanthropic and political landscapes, WOLA continues to face funding challenges. WOLA had experienced a loss in net assets without donor restrictions in 2022, 2023 and 2024. In order to improve its financial conditions, WOLA amended the budget and restructured personnel, decreased activities and increased fundraising activities. WOLA is also strategically using its reserve fund to cover temporary gaps while the budget is restructured.

**WASHINGTON OFFICE ON LATIN AMERICA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
(continued)

**NOTE O – FISCAL AGENT**

In 2024, WOLA, agreed to become the fiscal agent for Judicial Observatory Truth and Justice in Guatemala (the “Beneficiary”), a nonprofit in Guatemala, for funds to be received from American Jewish World (the “Donor”). WOLA agreed to hold and disburse the funds from the Donor on behalf of the Beneficiary for the execution of a mutually agreed upon project between the Donor and the Beneficiary. As of December 31, 2024, \$7,500 has been disbursed and another \$7,500 was being held on behalf of the Beneficiary.

**NOTE P – SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through July 31, 2025, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure or recognition.