

**CENTER FOR RESPONSIVE POLITICS**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2008**

**CENTER FOR RESPONSIVE POLITICS**

**FINANCIAL STATEMENTS**

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Chaconas & Wilson, P.C.

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Center for Responsive Politics  
Washington, DC

We have audited the accompanying statement of financial position of the Center for Responsive Politics as of December 31, 2008 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center for Responsive Politics as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Chaconas & Wilson, P.C.*

October 28, 2009

CENTER FOR RESPONSIVE POLITICS

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2008

ASSETS

**CURRENT ASSETS:**

Cash and cash equivalents (Note 2)	\$ 952,908
Accounts receivable (Note 2)	18,502
Unconditional promises to give (Notes 2 and 4)	520,000
Prepaid expenses	25,750
Total Current Assets	<u>\$ 1,517,160</u>

**PROPERTY AND EQUIPMENT, at cost** (Note 2)

Furniture and equipment	\$ 577,107
Leasehold improvement	22,171
	<u>\$ 599,278</u>
Less: accumulated depreciation	(565,565)
Property and Equipment, net	<u>\$ 33,713</u>

**OTHER ASSETS:**

Unconditional promises to give long term	\$ 125,000
Security deposit	28,885
Total Other Assets	<u>\$ 153,885</u>

**TOTAL ASSETS**

\$ 1,704,758

LIABILITIES AND NET ASSETS

**CURRENT LIABILITIES:**

Accounts payable	\$ 693
Accrued payroll	34,484
Total Current Liabilities	<u>\$ 35,177</u>

**NET ASSETS:**

Unrestricted (Note 2)	\$ 832,914
Temporarily restricted (Notes 2 and 7)	836,667
Total Net Assets	<u>\$ 1,669,581</u>

**TOTAL LIABILITIES AND NET ASSETS**

\$ 1,704,758

The accompanying notes are an integral part of this statement.

**CENTER FOR RESPONSIVE POLITICS**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES:</b>			
Contributions (Note 2)	\$ 225,576	\$ 1,100,000	\$ 1,325,576
Contract fees	120,100	-	120,100
Library services	26,111	-	26,111
Interest Income	20,768	-	20,768
Other Income	9,836	-	9,836
Net assets released from restriction:			
Satisfaction of time restriction	938,896	(938,896)	-
Total Revenues	\$ 1,341,287	\$ 161,104	\$ 1,502,391
<b>PROGRAM AND SUPPORT SERVICES EXPENSES:</b>			
Program services:			
Research and analysis	\$ 495,256	\$ -	\$ 495,256
Library services	45,023	-	45,023
Education and outreach	585,302	-	585,302
Total Program Expenses	\$ 1,125,581	\$ -	\$ 1,125,581
Supporting services:			
Grant development	\$ 127,157	\$ -	\$ 127,157
Management and general	215,319	-	215,319
Total Supporting Expenses	\$ 342,476	\$ -	\$ 342,476
Total Expenses	\$ 1,468,057	\$ -	\$ 1,468,057
<b>CHANGE IN NET ASSETS</b>	\$ (126,770)	\$ 161,104	\$ 34,334
<b>NET ASSETS, BEGINNING OF YEAR</b>	959,684	675,563	1,635,247
<b>NET ASSETS, END OF YEAR</b>	\$ 832,914	\$ 836,667	\$ 1,669,581

The accompanying notes are an integral part of this statement.



**CENTER FOR RESPONSIVE POLITICS**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$	34,334
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		23,583
Change in assets and liabilities:		
Increase in accounts receivable		(18,052)
Decrease in unconditional promises to give		30,063
Increase in prepaid expense		(20,945)
Decrease in accounts payable and accrued expenses		(10,242)
Decrease in accrued payroll		(29,949)
Net Cash Provided by Operating Activities	\$	8,792

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of property and equipment		(24,600)
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**NET DECREASE IN CASH AND CASH EQUIVALENTS**

\$ (15,808)

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**

968,716

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 952,908

The accompanying notes are an integral part this statement.

# CENTER FOR RESPONSIVE POLITICS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

Note 1. **Organization:**

The Center for Responsive Politics (the Center) is a nonprofit corporation that educates the American public on the role that money plays in its elections and actions. The Center conducts and distributes the results of nonpartisan research on campaign finance and other money-in-politics issues. The Center's program areas are:

Research and Analysis – The on-line newsletter ([www.capitaleye.org](http://www.capitaleye.org)) puts the Center's data in context, pointing out trends and adding a money-in-politics angle to ongoing news stories and policy debates.

Library Services – The Center's staff provide custom research to academics, activists, journalists and public interest groups.

Education and Outreach – The Center's website ([www.opensecrets.org](http://www.opensecrets.org)) allows users to explore connections between money and politics. Freely available, easy-to-use databases track federal campaign contributions and lobbying in a variety of illuminating ways, such as by industry and interest group.

Note 2. **Summary of Significant Accounting Policies:**

**Method of Accounting**

The financial statements have been prepared on the accrual basis of accounting.

**Contributions**

The Center recognizes contribution revenue when an unconditional pledge is made or when cash is received if a pledge was not made. Contributions received are reported as unrestricted, temporarily restricted, or permanently restricted, based on donor intent.

**Cash Equivalents**

The Center considers all short term investments with original maturities of three months or less to be cash equivalents included in cash.

The Center's demand deposits with financial institutions at times exceeded federally insured limits. The Center has not experienced any losses in such accounts and management believes the Center is not exposed to any significant credit risks.

**Accounts Receivable**

The Center considers accounts receivable including unconditional promises to give, to be fully collectible; accordingly, no allowance for doubtful accounts is made. If accounts become uncollectable they will be charged to operations when that determination is made. If the allowance method was used instead the results would not be materially different.



# CENTER FOR RESPONSIVE POLITICS

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008

Note 2. **Summary of Significant Accounting Policies:** (Concluded)

### **Furniture and Equipment**

Furniture and equipment are stated at cost. Depreciation is calculated on a straight line basis over a three year or five year estimated useful life. Leasehold improvements are depreciated over the life of the lease. The Center capitalizes property and equipment purchases of \$500 or more.

### **Classes of Net Assets**

The Center is required to report its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are contributions without a donor imposed time and/or program restriction. The funds are available for general operating purposes.

Temporarily restricted net assets are contributions with donor-imposed time and/or program restrictions. These temporary restrictions require that resources be used for specific purposes and/or in a later period or after a specified date. Temporarily restricted net assets become unrestricted when the time restrictions expire or the funds are used for their restricted purposes and are reported in the accompanying statement of activities as net assets released from restrictions. This method of accounting is also followed when the restrictions on contributions are met in the same period that the contributions are received.

Permanently restricted net assets must be maintained by the Center in perpetuity. There were no permanently restricted net assets as of December 31, 2008.

### **Functional Allocation of Expenses**

The allocation of the costs of providing various programs has been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain indirect costs have been allocated to program and supporting activities based on management's estimate of effort devoted to these activities.

### **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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CENTER FOR RESPONSIVE POLITICS**  
**NOTES TO FINANCIAL STATEMENTS (CONCLUDED)**  
**DECEMBER 31, 2008**

Note 3. **Tax Status:**

The Center has been recognized as exempt from federal income tax by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code, and is classified as an organization that is not a private foundation.

Note 4. **Unconditional Promises to Give:**

All unconditional promises to give are due in one year or less. As of December 31, 2008, the balance of unconditional promises to give was \$645,000.

Unconditional promises to give at December 31, 2008 are as follows:

Receivables in less than one year	\$	520,000
Receivables in two years		125,000
Total		<u>645,000</u>

Note 5. **Retirement Plan:**

The Center maintains a 403(b) retirement plan covering all employees. The Center contributes 4% of salary for each participant. The retirement expense for the year ended December 31, 2008 was \$35,885 and is included in "salaries, payroll taxes and employee benefits" in the accompanying statement of functional expenses.

Note 6. **Operating Lease:**

The Center has an operating lease for office space that expires on April 30, 2011. Future minimum rental payments under the lease at December 31, 2008 are as follows:

2009	\$	150,903
2010		157,525
2011		53,405
Total		<u>361,833</u>

Rent expense for the year ended December 31, 2008 was \$155,776.

Note 7. **Temporarily Restricted Net Assets:**

At December 31, 2008 temporarily restricted net assets consisted of the following:

Time Restrictions - General Support	\$	<u>836,667</u>
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