



LONDON & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Center for Latino Progress / Connecticut Puerto Rican Forum, Inc.
95 Park Street
Hartford, Connecticut 06106

Report on the Financial Statements

We have audited the accompanying financial statements of Center for Latino Progress / Connecticut Puerto Rican Forum, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year ended, and 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 the 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 Center for Latino Progress / Connecticut Puerto Rican Forum, Inc. as of June 30, 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

We have previously audited Center for Latino Progress / Connecticut Puerto Rican Forum, Inc.'s financial statements as of and for the year ended June 30, 2017 and we expressed an unmodified audit opinion on those financial statements in our report dated November 2, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Very truly yours,

London & Company, LLC

London & Company, LLC
Certified Public Accountants
November 15, 2018

I. Independent Auditor's Report.

II. Financial Statements:

Exhibit A - Comparative Statement of Financial Position as of June 30, 2018 and June 30, 2017.

Exhibit B - Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2018 with Comparative Totals for the Year ended June 30, 2017.

Exhibit C - Statement of Functional Expenses for the Year Ended June 30, 2018 with Comparative Totals for the Year Ended June 30, 2017.

Exhibit D - Comparative Statement of Cash Flows for the Years Ended June 30, 2018 and June 30, 2017.

Notes to Financial Statements.

CENTER FOR LATINO PROGRESS / CONNECTICUT PUERTO RICAN FORUM, INC.
HARTFORD, CONNECTICUT
COMPARATIVE STATEMENT OF FINANCIAL POSITION

A S S E T S

	<u>June 30,</u>	
	<u>2018</u>	<u>2017</u>
<u>Current Assets:</u>		
Cash	\$ 276,755	\$ 151,979
Prepaid expenses	4,843	8,162
Grants and contracts receivable	150,270	320,022
Inventory	<u>12,000</u>	<u>10,000</u>
Total Current Assets	<u>443,868</u>	<u>490,163</u>
<u>Property and Equipment:</u>	94,238	89,801
Less: Accumulated depreciation	<u>68,991</u>	<u>61,514</u>
Cost Less Depreciation	<u>25,247</u>	<u>28,287</u>
<u>TOTAL ASSETS</u>	<u>\$ 469,115</u>	<u>\$ 518,450</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>		
Accounts payable	\$ 7,088	\$ 5,634
Sales tax payable	258	119
Accrued wages and payroll taxes	<u>826</u>	<u>52,404</u>
Total Current Liabilities	<u>8,172</u>	<u>58,157</u>
<u>Net Assets:</u>		
Unrestricted	405,943	444,543
Temporarily restricted	<u>55,000</u>	<u>15,750</u>
Total Net Assets	<u>460,943</u>	<u>460,293</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 469,115</u>	<u>\$ 518,450</u>

See Accompanying Notes

CENTER FOR LATINO PROGRESS / CONNECTICUT PUERTO RICAN FORUM, INC.
HARTFORD, CONNECTICUT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018</u>	<u>Total 2017</u>
<u>Revenue and Support:</u>				
Grants and contract support	\$ 858,802	\$ 130,763	\$ 989,565	\$ 1,116,189
Merchandise sales	29,551	-	29,551	5,788
Program fees	8,032	-	8,032	2,840
Interest	71	-	71	83
Contributions	84,291	-	84,291	198,666
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>91,513</u>	<u>(91,513)</u>	<u>-</u>	<u>-</u>
<u>Total Revenue and Support</u>	<u>1,072,260</u>	<u>39,250</u>	<u>1,111,510</u>	<u>1,323,566</u>
<u>Expenses:</u>				
Program services	1,022,530	-	1,022,530	1,224,321
Support services	<u>88,330</u>	<u>-</u>	<u>88,330</u>	<u>98,727</u>
<u>Total Expenses</u>	<u>1,110,860</u>	<u>-</u>	<u>1,110,860</u>	<u>1,323,048</u>
<u>Change in Net Assets</u>	<u>(38,600)</u>	<u>39,250</u>	<u>650</u>	<u>518</u>
<u>Net Assets - Beginning</u>	<u>444,543</u>	<u>15,750</u>	<u>460,293</u>	<u>459,775</u>
<u>Net Assets - Ending</u>	<u>\$ 405,943</u>	<u>\$ 55,000</u>	<u>\$ 460,943</u>	<u>\$ 460,293</u>

See Accompanying Notes

CENTER FOR LATINO PROGRESS / CONNECTICUT PUERTO RICAN FORUM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	Job Skills <u>Training</u>	Summer <u>Youth</u>	Total Program <u>Services</u>	Management and General	<u>Total Expenses</u>	
					<u>2018</u>	<u>2017</u>
Salaries	\$ 424,928	\$ 38,957	\$ 463,885	\$ 63,256	\$ 527,141	\$ 540,834
Payroll taxes	35,026	2,924	37,950	5,175	43,125	47,216
Fringe benefits	33,486	2,727	36,213	4,593	40,806	43,814
Total Salaries and Related Expenses	<u>493,440</u>	<u>44,608</u>	<u>538,048</u>	<u>73,024</u>	<u>611,072</u>	<u>631,864</u>
Bank charges	996	-	996	125	1,121	533
Dues, subscriptions and licenses	3,704	-	3,704	505	4,209	4,124
Professional fees	3,984	500	4,484	611	5,095	5,459
Payroll services	7,022	2,169	9,191	1,253	10,444	10,783
Subcontract	47,425	-	47,425	-	47,425	67,926
Equipment rental, repairs & copies	401	-	401	55	456	1,118
Utilities	1,549	-	1,549	-	1,549	-
Maintenance	1,274	-	1,274	174	1,448	1,623
Rent	56,287	4,741	61,028	5,772	66,800	48,100
Liability insurance	14,830	-	14,830	1,855	16,685	15,812
Promotional and advertising	10,311	-	10,311	-	10,311	12,470
Travel & meetings	1,672	18	1,690	231	1,921	4,401
Staff development	3,276	-	3,276	447	3,723	5,678
Business development	-	-	-	734	734	7,994
Office supplies	2,879	-	2,879	292	3,171	4,501
Postage	221	74	295	40	335	445
Communication expense	4,882	405	5,287	721	6,008	6,677
Technology supplies and repairs	11,845	-	11,845	1,594	13,439	9,161
Participant stipends & supplies	134,259	138,195	272,454	-	272,454	457,186
Interest	-	329	329	-	329	-
Miscellaneous	958	-	958	-	958	556
Bicico expenses	23,697	-	23,697	-	23,697	19,736
Total Expenses Before Depreciation	<u>824,912</u>	<u>191,039</u>	<u>1,015,951</u>	<u>87,433</u>	<u>1,103,384</u>	<u>1,316,147</u>
Depreciation	6,579	-	6,579	897	7,476	6,901
<u>Total Expenses</u>	<u>\$ 831,491</u>	<u>\$ 191,039</u>	<u>\$ 1,022,530</u>	<u>\$ 88,330</u>	<u>\$ 1,110,860</u>	<u>\$ 1,323,048</u>

See Accompanying Notes

CENTER FOR LATINO PROGRESS / CONNECTICUT PUERTO RICAN FORUM, INC.HARTFORD, CONNECTICUTCOMPARATIVE STATEMENT OF CASH FLOWS

Increase (Decrease) in Cash

	For the Years Ended June 30,	
	<u>2018</u>	<u>2017</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ <u>650</u>	\$ <u>518</u>
Adjustments to reconcile excess of revenues over expenses to net cash provided by (used in) operating activities:		
Depreciation	7,476	6,901
Change in Assets and Liabilities:		
Increase Decrease in assets and liabilities:		
Grants and contracts receivable	169,752	(61,644)
Prepaid expenses	3,319	(742)
Inventory	(2,000)	(10,000)
Accounts payable	1,454	483
Sales tax payable	139	108
Accrued wages and payroll taxes	(51,578)	29,253
Total Adjustments	<u>128,562</u>	<u>(35,641)</u>
Net Cash Provided By (Used In) Operating Activities	129,212	(35,123)
<u>Cash Flows Used In Investing Activities:</u>		
Capital expenditures	(4,436)	(3,562)
<u>Net Increase (Decrease) in Cash</u>	124,776	(38,685)
<u>Cash at the Beginning of Year</u>	<u>151,979</u>	<u>190,664</u>
<u>Cash at End of Year</u>	\$ <u>276,755</u>	\$ <u>151,979</u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year:		
Interest	\$ 329	\$ -
Income taxes	\$ -	\$ -
<u>Non-Cash Program Activities:</u>		
Bicycle and parts inventory	\$ 2,000	\$ 10,000

See Accompanying Notes

CENTER FOR LATINO PROGRESS / CONNECTICUT PUERTO RICAN FORUM, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Note 1 - Accounting Policies:

A. Organization and Activities:

Center for Latino Progress/Connecticut Puerto Rican Forum, Inc. (the "Center"), is a not-for-profit organization formed to advance the socioeconomic conditions of the community at large, with emphasis on Hispanics, through education, training, supportive services, leadership development, and advocacy.

B. Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted net assets:

Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by actions of the Board of Directors.

Temporarily restricted net assets:

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Forum and/or the passage of time. When a restriction on a transaction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

C. Estimates:

The preparation of the 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.

D. Donated Materials and Services:

The Center receives, at times, donated materials and volunteer assistance from various sources. The donated materials are reflected as contributions in the accompanying statements at their estimated fair market values at the date of their receipt. The Center recognizes donated services if they create or enhance non-financial assets or requires specialized skills and would be typically purchased if not provided by donation. The Center did receive approximately 480 hours of volunteer assistance for the years ended June 30, 2018 and 2017. No amounts for volunteer assistance have been recognized, in the statement of activities because the criteria for recognition have not been satisfied. There were approximately \$2,000 and \$10,000 of donated bicycles and parts included in the financial statements for the years ended June 30, 2018 and 2017, respectively.

CENTER FOR LATINO PROGRESS / CONNECTICUT PUERTO RICAN FORUM, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Accounting Policies: (Continued)

E. Depreciation:

Property and equipment are capitalized at cost, or if donated, at fair market value at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (predominantly 5-7 years). Expenditures for additions and improvements are capitalized, and costs for repairs and maintenance are charged to expense as incurred. The Center follows the practice of capitalizing all expenditures for property and equipment in excess of \$500. For the years ended June 30, 2018 and 2017, depreciation was recorded in the amount of \$7,476 and \$6,901, respectively.

F. Tax Status:

The Center is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Internal Revenue Service classifies the Center as a non-private foundation. There was no unrelated business income for the years ended June 30, 2018 and 2017. As of June 30, 2018 and 2017, the Center has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The federal information returns of the Center are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

G. Cash and Cash Equivalents:

The Center holds all its cash in accounts that are subject to immediate withdrawal. The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. During the period covered by these financial statements, the Center has not invested in financial instruments classified as cash equivalents.

H. Comparative Financial Statements:

The financial statements include prior-year summarized comparative information in total, and not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Note 2 - Lease Commitment:

At June 30, 2018, the Center was occupying its current office space on a month-to-month basis. Rental expense for the years ended June 30, 2018 and 2017 was \$66,800 and \$48,100, respectively.

Note 3 - Allocation of Functional Expenses:

The costs of providing the Center's various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CENTER FOR LATINO PROGRESS / CONNECTICUT PUERTO RICAN FORUM, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4 - Property and Equipment:

The total cost and related accumulated depreciation for the years ended June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Furniture and fixtures	\$ 31,583	\$ 31,583
Computer & copier equipment	<u>62,655</u>	<u>58,218</u>
Total	94,238	89,801
Less: Accumulated Depreciation	<u>68,991</u>	<u>61,514</u>
Total	<u>\$ 25,247</u>	<u>\$ 28,287</u>

Note 5 - Program Grants:

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to the respective grantors.

Note 6 - Concentration of Revenue:

For the years ended June 30, 2018 and 2017, the Center received approximately, 48% and 66%, respectively of its total revenues from Capital Workforce Partners.

Note 7 - Evaluation of Subsequent Events:

Management has evaluated subsequent events through November 15, 2018, the date which the financial statements were available to be issued.

Note 8 - Temporarily Restricted:

At June 30, 2018 and 2017, temporarily restricted net assets consisted of \$55,000 and \$15,750, respectively from various foundations, to be used for the following programs:

	<u>2018</u>	<u>2017</u>
Bici-Co	\$ 50,000	\$ -
Capacity Building	<u>5,000</u>	<u>15,750</u>
Total	<u>\$ 55,000</u>	<u>\$ 15,750</u>

Note 9 - Inventories:

Inventories are stated at the lower of cost or market. Inventory consists of bicycles and bicycle parts. At June 30, 2018 and 2017, inventory was recorded in the amount of \$12,000 and \$10,000, respectively.