



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, 2019, 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, 2019, 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, 2018 and we expressed an unmodified audit opinion on those financial statements in our report dated November 15, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 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
January 7, 2020

I. Independent Auditor's Report.

II. Financial Statements:

Exhibit A - Comparative Statement of Financial Position as of June 30, 2019 and June 30, 2018.

Exhibit B - Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2019 with Comparative Totals for the Year ended June 30, 2018.

Exhibit C - Statement of Functional Expenses for the Year Ended June 30, 2019 with Comparative Totals for the Year Ended June 30, 2018.

Exhibit D - Comparative Statement of Cash Flows for the Years Ended June 30, 2019 and June 30, 2018.

Notes to Financial Statements.

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

ASSETS

	June 30,	
	2019	2018
<u>Current Assets:</u>		
Cash	\$ 144,843	\$ 276,755
Prepaid expenses	4,842	4,843
Grants and contracts receivable	266,485	150,270
Inventory	12,000	12,000
Total Current Assets	428,170	443,868
 <u>Property and Equipment:</u>	 73,905	 94,238
Less: Accumulated depreciation	54,398	68,991
Cost Less Depreciation	19,507	25,247
 <u>Security Deposit</u>	4,000	-
 <u>TOTAL ASSETS</u>	\$ 451,677	\$ 469,115

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>		
Accounts payable	\$ 23,545	\$ 7,088
Sales tax payable	1,213	258
Accrued wages and payroll taxes	-	826
Total Current Liabilities	24,758	8,172
 <u>Net Assets:</u>		
Without donor restrictions	386,919	405,943
With donor restrictions	40,000	55,000
Total Net Assets	426,919	460,943
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 451,677	\$ 469,115

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, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	<u>Without</u> <u>Donor</u> <u>Restrictions</u>	<u>With</u> <u>Donor</u> <u>Restrictions</u>	<u>Total</u> <u>2019</u>	<u>2018</u>
<u>Revenue and Support:</u>				
Grants and contract support	\$ 900,768	\$ 40,000	\$ 940,768	\$ 829,602
Government contracts	362,977	-	362,977	159,963
Merchandise sales	52,798	-	52,798	29,551
Program fees	5,375	-	5,375	8,032
Interest	65	-	65	71
Contributions	83,976	-	83,976	84,291
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>55,000</u>	<u>(55,000)</u>	<u>-</u>	<u>-</u>
<u>Total Revenue and Support</u>	<u>1,460,959</u>	<u>(15,000)</u>	<u>1,445,959</u>	<u>1,111,510</u>
<u>Expenses:</u>				
Program services	1,371,769	-	1,371,769	1,022,530
Support services	<u>108,214</u>	<u>-</u>	<u>108,214</u>	<u>88,330</u>
<u>Total Expenses</u>	<u>1,479,983</u>	<u>-</u>	<u>1,479,983</u>	<u>1,110,860</u>
<u>Change in Net Assets</u>	<u>(19,024)</u>	<u>(15,000)</u>	<u>(34,024)</u>	<u>650</u>
<u>Net Assets - Beginning</u>	<u>405,943</u>	<u>55,000</u>	<u>460,943</u>	<u>460,293</u>
<u>Net Assets - Ending</u>	<u>\$ 386,919</u>	<u>\$ 40,000</u>	<u>\$ 426,919</u>	<u>\$ 460,943</u>

See Accompanying Notes

CENTER FOR LATINO PROGRESS / CONNECTICUT PUERTO RICAN FORUM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	<u>Job Skills</u> <u>Training</u>	<u>Youth</u> <u>Services</u>	<u>Total</u> <u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Total Expenses</u>	
					<u>2019</u>	<u>2018</u>
Salaries	\$ 401,288	\$ 134,843	\$ 536,131	\$ 73,221	\$ 609,352	\$ 527,141
Payroll taxes	33,156	10,573	43,729	5,977	49,706	43,125
Fringe benefits	<u>22,588</u>	<u>13,279</u>	<u>35,867</u>	<u>4,851</u>	<u>40,718</u>	<u>40,806</u>
Total Salaries and Related Expenses	457,032	158,695	615,727	84,049	699,776	611,072
Bank charges	1,700	-	1,700	232	1,932	1,121
Dues, subscriptions and licenses	2,045	-	2,045	278	2,323	4,209
Professional fees	5,030	800	5,830	795	6,625	5,095
Payroll services	6,450	7,172	13,622	1,513	15,135	10,444
Subcontract	39,733	50,301	90,034	-	90,034	47,425
Equipment rental, repairs & copies	5,325	975	6,300	707	7,007	456
Utilities	1,820	-	1,820	-	1,820	1,549
Maintenance	1,418	-	1,418	193	1,611	1,448
Rent	48,314	11,302	59,616	5,184	64,800	66,800
Liability insurance	13,780	600	14,380	1,961	16,341	16,685
Promotional and advertising	4,909	150	5,059	-	5,059	10,311
Travel & meetings	2,312	-	2,312	315	2,627	1,921
Staff development	639	-	639	87	726	3,723
Business development	-	-	-	10,080	10,080	734
Office supplies	1,201	67	1,268	173	1,441	3,171
Postage	1,331	-	1,331	182	1,513	335
Communication expense	5,559	540	6,099	832	6,931	6,008
Technology supplies and software	5,056	-	5,056	689	5,745	13,439
Participant stipends & supplies	107,565	385,429	492,994	-	492,994	272,454
Interest	-	288	288	-	288	329
Miscellaneous	858	-	858	-	858	958
Bicico expenses	<u>36,450</u>	<u>-</u>	<u>36,450</u>	<u>-</u>	<u>36,450</u>	<u>23,697</u>
Total Expenses Before Depreciation	748,527	616,319	1,364,846	107,270	1,472,116	1,103,384
Depreciation	6,923	-	6,923	944	7,867	7,476
<u>Total Expenses</u>	<u>\$ 755,450</u>	<u>\$ 616,319</u>	<u>\$ 1,371,769</u>	<u>\$ 108,214</u>	<u>\$ 1,479,983</u>	<u>\$ 1,110,860</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	
	<u>June 30,</u>	
	<u>2019</u>	<u>2018</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ (34,024)	\$ 650
Adjustments to reconcile excess of revenues over expenses to net cash provided by (used in) operating activities:		
Depreciation	7,867	7,476
Change in Assets and Liabilities:		
Increase Decrease in assets and liabilities:		
Grants and contracts receivable	(116,215)	169,752
Prepaid expenses	1	3,319
Inventory	-	(2,000)
Security deposit	(4,000)	-
Accounts payable	16,457	1,454
Sales tax payable	955	139
Accrued wages and payroll taxes	(826)	(51,578)
Total Adjustments	<u>(95,761)</u>	<u>128,562</u>
Net Cash Provided By (Used In) Operating Activities	(129,785)	129,212
<u>Cash Flows Used In Investing Activities:</u>		
Capital expenditures	(2,127)	(4,436)
<u>Net Increase (Decrease) in Cash</u>	(131,912)	124,776
<u>Cash at the Beginning of Year</u>	<u>276,755</u>	<u>151,979</u>
<u>Cash at End of Year</u>	\$ <u>144,843</u>	\$ <u>276,755</u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year:		
Interest	\$ 288	\$ 329
Income taxes	\$ -	\$ -
<u>Non-Cash Program Activities:</u>		
Bicycle and parts inventory	\$ -	\$ 2,000

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:

Without donor restrictions 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.

With donor restrictions 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, 2019 and 2018. 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 \$0 and \$2,000 of donated bicycles and parts included in the financial statements for the years ended June 30, 2019 and 2018, 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, 2019 and 2018, depreciation was recorded in the amount of \$7,867 and \$7,476, 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, 2019 and 2018. As of June 30, 2019 and 2018, 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, 2018, from which the summarized information was derived.

Note 2 - Lease Commitment:

At June 30, 2019, the Center was occupying its current office space on a month-to-month basis. Rental expense for the years ended June 30, 2019 and 2018 was \$64,800 and \$66,800, respectively.

In January 2019, the Center entered into an operating lease for approximately 3,250 square feet of retail space located at 616 New Park Ave. in West Hartford, Connecticut for the period February 2019 to January 2024. The Center has the right to extend the lease for an additional five years.

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

Note 2 - Lease Commitment (continued):

Future minimum lease payments over the term of the lease are as follows:

June 30, 2020	\$ 3,385
June 30, 2021	11,511
June 30, 2022	19,635
June 30, 2023	27,761
June 30, 2024	<u>18,958</u>
Total	<u>\$ 81,250</u>

Note 3 - Method Used For Allocation of Expenses:

The Centers general approach to cost allocations is as follows: allowable direct costs are charged directly to programs, grants, activity, etc. Costs that can be identified to more than one program are prorated individually as direct costs using a base most appropriate to the cost being prorated. All other costs (i.e. general and administrative) are allocated using a base that results in an equitable distribution.

Note 4 - Property and Equipment:

The total cost and related accumulated depreciation for the years ended June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Furniture and fixtures	\$ 31,583	\$ 31,583
Computer & copier equipment	<u>42,322</u>	<u>62,655</u>
Total	73,905	94,238
Less: Accumulated Depreciation	<u>54,398</u>	<u>68,991</u>
Total	<u>\$ 19,507</u>	<u>\$ 25,247</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, 2019 and 2018, the Center received approximately, 46% and 48%, respectively of its total revenues from Capital Workforce Partners.

Note 7 - Evaluation of Subsequent Events:

Management has evaluated subsequent events through January 7, 2020, the date which the financial statements were available to be issued.

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

Note 8 - Net Assets With Donor Restrictions:

At June 30, 2019 and 2018, net assets with donor restrictions consisted of \$40,000 and \$55,000, respectively from various foundations, to be used for the following programs:

	<u>2019</u>	<u>2018</u>
Capacity Building	\$ -	\$ 5,000
Bici-Co	<u>40,000</u>	<u>50,000</u>
Total	<u>\$ 40,000</u>	<u>\$ 55,000</u>

Note 9 - Inventories:

Inventories are stated at the lower of cost or market. Inventory consists of bicycles and bicycle parts. At June 30, 2019 and 2018, inventory was recorded in the amount of \$12,000 and \$12,000, respectively.

Note 10 - Credit Line / Subsequent Event:

In July 2019, the Center obtained a \$50,000 credit line, secured by a bank account. The Center also has a \$75,000 unsecured credit line that is renewed annually.

Note 11 - Liquidity and Availability of Financial Assets:

The Center is funded by contributions from donors that contain restrictions. Those restrictions require that resources be used in a certain manner or in a future period. Therefore, the Center must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditures within one year. The Center has approximately \$429,035 of financial assets available within one year of the statement of financial position to meet cash needs for general expenditures, consisting of cash of \$144,843, \$267,350 in accounts receivable, \$4,842 in prepaid expenses and \$12,000 in inventory. \$40,000 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. As part of liquidity management, the Center structures its financial assets to be available as general expenditures, liabilities and other obligations become due. The Center also invests its cash in excess of its daily needs in short term investments.

Note 12 - Method Used For Allocation of Expenses:

The Center's general approach to cost allocations is as follows: allowable direct costs are charged directly to programs, grants, activity, etc. Costs that can be identified to more than one program are prorated individually as direct costs using a base most appropriate to the cost being prorated. All other costs (i.e. general and administrative) are allocated using a base that results in an equitable distribution.