

**MUJERES LATINAS EN ACCION**

**Financial Statements  
as of June 30, 2016 and 2015  
Together with Auditor's Report**

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Mujeres Latinas en Accion

We have audited the accompanying financial statements of Mujeres Latinas en Accion, which comprise the statement of financial position as of June 30, 2016 and the related statements of activities, functional expenses and cash flows for the year 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.

### Auditor's 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 from 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 misstatements 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 aspects, the financial position of Mujeres Latinas en Accion as of June 30, 2016 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 the Mujeres Latinas en Accion's 2015 financial statements, and our report dated December 21, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
KOPCZYK, OSHER, & SCOTT

**MUJERES LATINAS EN ACCION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
Cash	\$ 46,172	\$ 3,340
Grants Receivable (Note 9)	668,505	827,305
Accounts Receivable (Note 10)	23,889	2,162
Prepaid Expenses	35,047	16,967
Property and Equipment, Net (Note 3)	2,428,170	2,508,053
<b>TOTAL ASSETS</b>	<b>\$ 3,201,783</b>	<b>\$ 3,357,827</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 111,785	\$ 149,385
Accrued Expenses	53,974	57,363
Line of Credit	295,385	197,570
Deferred Revenue	14,601	0
Mortgage Payable	984,552	1,047,924
<b>TOTAL LIABILITIES</b>	<b>\$ 1,460,297</b>	<b>\$ 1,452,242</b>
 <b>NET ASSETS</b>		
Unrestricted	\$ 1,112,023	\$ 1,090,206
Temporarily Restricted	629,463	815,379
<b>TOTAL NET ASSETS</b>	<b>\$ 1,741,486</b>	<b>\$ 1,905,585</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,201,783</b>	<b>\$ 3,357,827</b>

The accompanying notes are an integral part of these statements.

**MUJERES LATINAS EN ACCION**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2016**

**With Comparative Totals for the Year Ended, June 30, 2015**

<b>REVENUES</b>	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
Government Grants	\$ 0	\$ 1,403,473	\$ 1,403,473	\$ 1,906,987
Foundations and Corporations	258,288	686,115	944,403	968,456
United Way of Chicago	0	8,000	8,000	8,000
Other Organizations	2,744	0	2,744	901
Individuals	137,326	20,000	157,326	161,509
Fundraising Events (Net of Expenses of \$46,902 and \$100,512)	74,860	0	74,860	85,847
Interest	11	0	11	1
Miscellaneous	12,446	0	12,446	4,880
In-Kind	24,500	0	24,500	64,188
Net Assets Released from Restrictions	<u>2,285,636</u>	<u>&lt;2,285,636&gt;</u>	<u>0</u>	<u>0</u>
<b>TOTAL REVENUES AND PUBLIC SUPPORT</b>	<u>\$ 2,795,811</u>	<u>\$ &lt;168,048&gt;</u>	<u>\$ 2,627,763</u>	<u>\$ 3,200,769</u>
 <b>EXPENSES</b>				
Program Services	\$ 2,506,711	\$ 0	\$ 2,506,711	\$ 2,939,189
Development	212,284	0	212,284	275,279
Administration	<u>53,471</u>	<u>0</u>	<u>53,471</u>	<u>52,646</u>
<b>TOTAL EXPENSES</b>	<u>\$ 2,772,466</u>	<u>\$ 0</u>	<u>\$ 2,772,466</u>	<u>\$ 3,267,114</u>
<b>CHANGE IN NET ASSETS BEFORE RETURN OF GRANT FUNDS</b>	\$ 23,345	\$ <168,048>	\$ <144,703>	\$ <66,345>
<b>RETURN OF GRANT FUNDS</b>	<u>&lt;1,528&gt;</u>	<u>&lt;17,868&gt;</u>	<u>&lt;19,396&gt;</u>	<u>0</u>
<b>CHANGE IN NET ASSETS</b>	\$ 21,817	\$ <185,916>	\$ <164,099>	\$ 0
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,090,206</u>	<u>815,379</u>	<u>1,905,585</u>	<u>1,971,930</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,112,023</u>	<u>\$ 629,463</u>	<u>\$ 1,741,486</u>	<u>\$ 1,905,585</u>

The accompanying notes are an integral part of these statements.

MUJERES LATINAS EN ACCION  
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

With Comparative Totals for the Year Ended, June 30, 2015

2016

2015

	Youth	Domestic Violence	Parent Support	Sexual Assault	Empresarias Del Futuro	Ventanilla De Salud	Latina Leadership	Total Programs	Admin	Development	Grand Total	Total
Salaries	\$ 92,209	\$ 489,180	\$ 215,965	\$ 332,376	\$ 67,138	\$ 22,627	\$ 44,396	\$ 1,263,891	\$ 82,988	\$ 136,961	\$ 1,483,840	\$ 1,895,789
Fringe Benefits	11,148	52,812	21,421	33,260	7,188	134	7,538	133,501	3,288	13,437	150,226	158,356
Payroll Taxes	8,078	44,223	19,607	29,132	6,098	1,899	3,871	112,908	4,044	11,865	128,817	152,240
Accounting Fees	870	4,615	2,038	3,136	633	213	419	11,924	1,878	1,292	15,094	16,095
Legal Fees	0	0	0	0	0	0	0	0	25	0	25	41
Professional Fees	20,387	54,263	30,987	33,393	6,724	3,368	5,043	154,165	27,996	12,920	195,081	213,758
Program Consultants	22,484	54,299	52,948	7,310	9,278	15,000	15,000	161,319	0	0	161,319	227,927
Occupancy	6,882	42,609	5,359	25,026	1,612	794	2,441	84,723	6,095	3,076	93,894	100,067
Office Supplies	1,297	4,650	2,321	5,984	1,063	277	388	15,980	8,777	1,069	25,826	18,882
Equipment Lease and Maintenance	2,634	5,299	3,903	6,978	690	423	482	20,409	11,653	1,335	33,397	15,786
Equipment Purchase	0	3,504	1,910	3,188	573	955	0	10,130	5,415	0	15,545	9,471
Telephone	7,319	22,378	8,042	7,914	1,233	474	674	48,034	3,826	2,936	54,796	57,396
Advertising / Marketing	0	0	0	850	0	0	0	850	0	277	1,127	7,207
Printing / Publications	219	1,058	658	897	203	72	143	3,250	142	2,882	6,274	7,161
Postage and Shipping	71	245	93	178	23	11	17	638	195	896	1,729	1,668
Travel	1,821	9,216	607	6,805	670	476	1,599	21,194	58,311	1,690	81,195	41,497
Training	0	490	0	37	14	0	0	541	900	50	7,470	7,470
Conferences and Meetings	1,047	1,261	0	595	343	0	58	3,304	12,435	2,550	18,289	20,101
Program Expenses	17,595	16,923	5,863	5,012	760	972	1,899	49,024	0	0	49,024	80,892
Grants to Other	0	0	0	0	0	0	0	0	0	0	0	0
Organizations	0	0	0	0	0	0	0	0	0	100	100	300
Dues and Subscriptions	481	8,394	1,185	3,150	308	161	223	13,902	11,711	2,383	27,996	18,958
Insurance	1,170	5,942	2,554	3,728	859	368	736	15,357	4,395	1,566	21,318	27,875
Interest	4,060	16,647	6,173	8,759	3,538	1,673	5,283	46,133	26,619	6,656	79,408	79,906
Depreciation	9,216	21,354	10,097	11,500	4,566	1,966	6,470	65,169	15,921	8,343	89,433	88,478
Bad Debt Expense	0	1,433	1,077	0	0	0	0	2,510	0	0	2,510	308
Support Service Allocation	17,567	95,056	42,331	63,333	13,572	3,192	8,454	243,505	(243,505)	0	0	0
Scholarship Expense	24,350	0	0	0	0	0	0	24,350	0	0	24,350	12,200
Other	0	0	0	0	0	0	0	0	10,362	0	10,362	7,345
<b>TOTAL EXPENSE</b>	<b>\$ 250,905</b>	<b>\$ 955,851</b>	<b>\$ 435,139</b>	<b>\$ 592,541</b>	<b>\$ 117,808</b>	<b>\$ 49,333</b>	<b>\$ 105,134</b>	<b>\$ 2,506,711</b>	<b>\$ 53,471</b>	<b>\$ 212,284</b>	<b>\$ 2,772,466</b>	<b>\$ 3,267,114</b>

The accompanying notes are an integral part of these statements.

**MUJERES LATINAS EN ACCION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ <164,099>	\$ <66,345>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	89,433	88,477
Bad Debt Expense	2,510	308
Grants Receivable	156,290	<10,091>
Accounts Receivable	<21,727>	6,223
Deferred Revenue	14,601	0
Prepaid Expenses	<18,080>	<101>
Accounts Payable	<37,600>	16,174
Accrued Expenses	<u>&lt;3,389&gt;</u>	<u>&lt;40,669&gt;</u>
Net Cash Provided <Used> by Operating Activities	<u>\$ 17,939</u>	<u>\$ &lt;6,024&gt;</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Equipment	<u>\$ &lt;9,550&gt;</u>	<u>\$ 0</u>
Net Cash Provided <Used> in Investing Activities	<u>&lt;9,550&gt;</u>	<u>0</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Line of Credit	\$ 445,131	\$ 1,025,500
Repayment of Line of Credit	<347,316>	<987,408>
Repayment of Mortgage Principal	<u>&lt;63,372&gt;</u>	<u>&lt;59,394&gt;</u>
Net Cash Provided <Used> in Financing Activities	<u>\$ 34,443</u>	<u>\$ &lt;21,302&gt;</u>
<b>NET INCREASE &lt;DECREASE&gt; IN CASH</b>	<u>\$ 42,832</u>	<u>\$ &lt;27,326&gt;</u>
<b>CASH BALANCE – BEGINNING OF YEAR</b>	<u>\$ 3,340</u>	<u>\$ 30,666</u>
<b>CASH BALANCE –END OF YEAR</b>	<u>\$ 46,172</u>	<u>\$ 3,340</u>

The accompanying notes are an integral part of these statements.

**MUJERES LATINAS EN ACCION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. NATURE OF ACTIVITIES**

Mujeres Latinas En Accion (Mujeres) is a bilingual/bicultural agency founded in 1973 that seeks to empower women, their families and youth to become self-reliant, and able to take full advantage of available opportunities; and create new opportunities to improve the quality of their lives. Mujeres provides comprehensive services with integrated activities to assist our constituents in exploring choices, making informed decisions, developing self-esteem, and enhancing daily living and problem-solving skills. Mujeres also undertakes policy analysis and advocates with and on behalf of their constituents.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles for not-for-profit organizations.

Functional Allocation of Expenses

The costs of providing the various programs and other activities 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.

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.

Donated Services and Materials

Donated services are recognized for those that require specialized skills. During fiscal year ended June 30, 2016 and 2015, the organization estimated and recorded contributions for travel, consulting services, and benefit expenses in the amount of \$24,500 and \$64,188 respectively.

# MUJERES LATINAS EN ACCION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### Comparative Totals For Prior Year

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional allocation. 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 Mujeres' financial statements for the year ended June 30, 2015 from which the summarized information was derived. Certain reclassifications of previously reported amounts have been made to conform to classifications used in the current year.

#### Income Tax Status

Mujeres Latinas En Accion is incorporated under the laws of the state of Illinois as a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Mujeres has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). There was no unrelated business income for the year ended June 30, 2016 and 2015. Each of the Organization's prior three years remains subject to examination by the Internal Revenue Service. In the next twelve months, the organization does not expect a material net change in unrecognized tax benefits.

#### Fixed Assets

Mujeres follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$3,000. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and Improvements	40 Years
Equipment	5 Years

#### Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash. Bank accounts are insured by the FDIC up to \$250,000. At June 30, 2016 and 2015, Mujeres did not have bank accounts whose cash balances exceeded the FDIC insured limit.

#### Subsequent Events

The financial statements were available to be issued on January 31, 2107 with subsequent events being evaluated through this date.



**MUJERES LATINAS EN ACCION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. PROPERTY AND EQUIPMENT**

	<u>2016</u>	<u>2015</u>
Land	\$ 69,393	\$ 69,393
Buildings	77,406	77,406
Building Improvements	3,182,090	3,182,090
Equipment	368,667	359,117
Loan Fees	18,916	18,916
Software	<u>15,666</u>	<u>15,666</u>
Total	\$ 3,732,138	\$ 3,722,588
Less: Accumulated Depreciation	<u>&lt;1,303,968&gt;</u>	<u>&lt;1,214,535&gt;</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<b><u>\$ 2,428,170</u></b>	<b><u>\$ 2,508,053</u></b>

**NOTE 4. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily Restricted Net Assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Program Restricted	\$ 429,463	\$ 615,379
Capital Expenditures	<u>200,000</u>	<u>200,000</u>
Total	<u>\$ 629,463</u>	<u>\$ 815,379</u>

**NOTE 5. LINE OF CREDIT**

Mujeres had a \$200,000 line of credit with Fifth Third Bank that matured on July 27, 2016. Variable interest was at prime plus 1.75% with the buildings on 17<sup>th</sup> Street and 21<sup>st</sup> Place serving as collateral. The line of credit was renewed with variable interest at prime plus 1.5 % and matured on January 27, 2017. The line of credit was subsequently renewed with variable interest at prime plus 1.5% and matures on March 27, 2018

The balance outstanding at June 30, 2016 and 2015 was \$195,232 and \$197,570, respectively. Interest paid was \$8,399 and \$7,487 during the fiscal years ended June 30, 2016 and 2015.

The organization also had a \$500,000 non-revolving line of credit with Raza Development Fund, Inc. that matured on December 31, 2016. The fixed rate was at 6% with the State of Illinois receivables serving as collateral. The line of credit was subsequently renewed with a fixed rate of 6%, \$250,000 cap and matures on February 12, 2018. The balance outstanding at June 30, 2016 was \$100,153. Interest paid was \$894 during the fiscal year ended June 30, 2016.

**MUJERES LATINAS EN ACCION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 CONCENTRATIONS**

One government agency represented 14% and 13% of total revenues for the years ended June 30, 2016 and 2015. One government agency represented 22% and 18% of grants receivable at June 30, 2016 and 2015. Two foundations represented 21% and 26% of grants receivable at June 30, 2016 and 2015.

**NOTE 7. MORTGAGE PAYABLE**

In December 2011, Mujeres refinanced and consolidated mortgage debt into a \$1,240,000 mortgage with Raza Development Fund, Inc. secured by the 2124 West 21<sup>st</sup> Place and 17<sup>th</sup> Street buildings in Chicago, Illinois. The loan has a fixed rate of interest at 6.5% with monthly interest and principal payments of \$10,802, based on a fifteen year amortization period with a balloon payment due on December 9, 2016. The mortgage was renewed at a fixed rate of 6.25%, with monthly interest and principal payments of \$8,168 based on a fifteen year amortization period with a balloon payment due December 1, 2017. The balance outstanding as of June 30, 2016 was \$984,552.

Interest expense for 2016 and 2015 was \$65,906 and \$69,905, respectively.

Future principal payments due by fiscal year:

2017	\$ 50,543
2018	<u>934,009</u>
	<u><u>\$984,552</u></u>

**NOTE 8. LEASES**

Mujeres leases additional space and equipment under various monthly lease agreements. Office rent expense for the year ended June 30, 2016 and 2015 was \$53,294 and \$55,985. Copier equipment rental for the year ended June 30, 2016 and 2015 was \$28,818 and \$12,677. The future minimum rental payments under these leases as of June 30, 2016 are as follows:

2017	\$ 72,975
2018	73,194
2019	74,028
2020	36,517
2021	2,937

**MUJERES LATINAS EN ACCION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9. GRANTS RECEIVABLE**

The net present value of outstanding grants was discounted at .5% as of June 30, 2016 and .3% as of June 30, 2015.

	2016	2015
In One Year or Less	\$ 521,505	\$ 541,205
Between One Year and Five Years	150,000	290,100
Six Years and After	0	0
Gross Grants Receivable	\$ 671,505	\$ 831,305
Less: Present Value Discount		
Less: Allowance for Uncollectible Grants	<3,000>	<4,000>
Grants Receivable, Net	\$ 668,505	\$ 827,305

**NOTE 10. ACCOUNTS RECEIVABLE**

	2016	2015
Gross Accounts Receivable	\$ 23,889	\$ 2,162
Less: Allowance for Uncollectible Accounts	0	0
Accounts Receivable, Net	\$ 23,889	\$ 2,162