

MUJERES LATINAS EN ACCION

**Financial Statements
as of June 30, 2015 and 2014
Together with Auditor's Report**



CERTIFIED PUBLIC ACCOUNTANTS

65 East Wacker Place
Suite 1502
Chicago, Illinois 60601

Voice (312) 527-0111

Fax (312) 527-9441

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, 2015 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, 2015 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 2014 financial statements, and our report dated December 18, 2014, 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, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kopczyk & Scott CPAs
KOPCZYK & SCOTT CPAs

Chicago, Illinois
December 21, 2015

MUJERES LATINAS EN ACCION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	\$ 3,340	\$ 30,666
Grants Receivable (Note 9)	827,305	817,522
Accounts Receivable (Note 10)	2,162	8,385
Prepaid Expenses	16,967	16,866
Property and Equipment, Net	2,508,053	2,596,530
TOTAL ASSETS	\$ 3,357,827	\$ 3,469,969
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 149,385	\$ 133,211
Accrued Expenses	57,363	98,032
Line of Credit	197,570	159,478
Mortgage Payable	1,047,924	1,107,318
TOTAL LIABILITIES	\$ 1,452,242	\$ 1,498,039
 NET ASSETS		
Unrestricted	\$ 1,090,206	\$ 1,290,738
Temporarily Restricted	815,379	681,192
TOTAL NET ASSETS	\$ 1,905,585	\$ 1,971,930
TOTAL LIABILITIES AND NET ASSETS	\$ 3,357,827	\$ 3,469,969

The accompanying notes are an integral part of these statements

MUJERES LATINAS EN ACCION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

With Comparative Totals for the Year Ended June 30, 2014

REVENUES	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Government Grants	\$ 15,693	\$ 1,891,294	\$ 1,906,987	\$ 1,985,163
Foundations and Corporations	155,229	813,227	968,456	1,029,287
United Way of Chicago	0	8,000	8,000	10,000
Other Organizations	901	0	901	1,341
Individuals	161,509	0	161,509	122,470
Fundraising Events (Net of Expenses of \$100,512 and \$115,712)	85,847	0	85,847	173,961
Interest	1	0	1	1
Miscellaneous	4,880	0	4,880	4,027
In-Kind	64,188	0	64,188	20,353
Net Assets Released from Restrictions	2,578,334	<2,578,334>	0	0
TOTAL REVENUES AND PUBLIC SUPPORT	\$ 3,066,582	\$ 134,187	\$ 3,200,769	\$ 3,346,603
 EXPENSES				
Program Services	2,939,189	0	2,939,189	2,982,294
Development	275,279	0	275,279	253,518
Administration	52,646	0	52,646	51,206
TOTAL EXPENSES	\$ 3,267,114	\$ 0	\$ 3,267,114	\$ 3,287,018
CHANGE IN NET ASSETS	\$ <200,532>	\$ 134,187	\$ <66,345>	\$ 59,585
 NET ASSETS AT BEGINNING OF YEAR	1,290,738	681,192	1,971,930	1,912,345
NET ASSETS AT END OF YEAR	\$ 1,090,206	\$ 815,379	\$ 1,905,585	\$ 1,971,930

The accompanying notes are an integral part of these statements.

MUJERES LATINAS EN ACCION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

With Comparative Totals for the Year Ended, June 30, 2014

2015

2014

	Youth	Domestic Violence	Parent Support	Sexual Assault	Women In Transition	Empresarias Del Futuro	Ventanilla De Salud	Latina Leadership	Total Programs	Admin	Development	Grand Total	Total
Salaries	\$ 132,716	\$ 598,889	\$ 278,318	\$ 367,177	\$ 0	\$ 102,732	\$ 65,607	\$ 55,862	\$ 1,601,301	\$ 101,694	\$ 192,794	\$ 1,895,789	\$ 1,878,731
Fringe Benefits	14,415	54,699	22,535	23,736	0	8,142	5,833	7,423	136,783	4,779	16,794	158,356	161,052
Payroll Taxes	11,115	49,730	23,211	30,182	0	8,358	5,470	4,567	132,633	3,880	15,727	152,240	144,571
Accounting Fees	1,050	4,739	2,202	2,905	0	813	519	442	12,670	1,900	1,525	16,095	15,095
Legal Fees	0	0	0	0	0	0	0	0	0	41	0	41	6,023
Professional Fees	18,405	49,373	25,791	22,980	0	5,759	5,130	4,177	131,615	70,928	11,215	213,758	133,904
Program Consultants	39,069	67,426	20,788	15,041	0	0	75,097	10,506	227,927	0	0	227,927	263,538
Occupancy	7,972	44,642	5,855	26,311	0	1,402	1,037	2,513	89,732	7,142	3,193	100,067	86,782
Office Supplies	703	4,749	2,310	3,436	0	415	824	487	12,924	4,504	1,454	18,882	31,099
Equipment Lease and Maintenance	1,322	4,532	2,579	3,749	0	681	547	472	13,882	634	1,270	15,786	13,632
Equipment Purchase	21	1,177	55	3,863	0	23	576	14	9,471	32	32	9,471	16,272
Telephone	7,211	23,258	8,747	7,590	0	1,266	771	649	49,492	5,116	2,728	57,336	49,804
Advertising / Marketing	0	0	0	6,980	0	0	0	0	6,980	0	227	7,207	8,541
Printing / Publications	361	1,818	882	1,012	0	214	286	156	4,729	426	2,006	7,161	24,225
Postage and Shipping	67	363	149	269	0	50	42	31	971	396	301	1,668	2,040
Travel	5,000	7,102	562	6,205	0	504	1,771	356	21,500	18,765	1,232	41,497	50,084
Training	368	3,200	80	167	0	128	0	0	3,943	0	3,527	7,470	6,917
Conferences and Meetings	840	1,454	0	3,602	0	396	752	741	7,785	9,773	2,543	20,101	20,811
Program Expenses	7,885	51,461	7,220	2,643	7,725	1,404	1,953	601	80,892	0	0	80,892	129,135
Grants to Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Organizations	2,182	2,802	1,156	2,895	0	300	278	239	9,903	0	0	300	18,825
Dues and Subscriptions	1,579	7,502	3,395	4,088	0	1,086	810	714	19,174	6,672	1,293	27,875	29,534
Insurance	4,377	17,657	6,274	9,286	0	3,058	2,346	5,628	48,626	24,198	7,082	79,906	86,138
Interest	9,343	20,986	9,634	11,129	0	3,746	2,662	6,471	63,971	16,200	8,307	88,478	88,478
Depreciation	0	0	85	0	0	0	0	223	308	0	0	308	9,857
Bad Debt Expense	20,426	90,522	42,393	55,785	0	15,716	10,055	8,319	243,216	<243,216>	0	0	0
Support Service Allocation	12,200	0	0	0	0	0	0	0	12,200	0	0	12,200	0
Scholarship Expense	0	3	0	0	0	0	0	0	3	7,342	0	7,345	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSE	\$ 298,627	\$ 1,108,084	\$ 464,221	\$ 611,031	\$ 7,725	\$ 156,544	\$ 182,366	\$ 110,591	\$ 2,939,189	\$ 52,646	\$ 275,279	\$ 3,267,114	\$ 3,287,018

The accompanying notes are an integral part of these statements.

MUJERES LATINAS EN ACCION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ <66,345>	\$ 59,585
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	88,477	88,477
Bad Debt Expense	308	9,857
Grants Receivable	<10,091>	<77,085>
Accounts Receivable	6,223	<7,845>
Deferred Revenue	0	0
Prepaid Expenses	<101>	967
Accounts Payable	16,174	39,144
Accrued Expenses	<u><40,669></u>	<u>614</u>
Net Cash Provided <Used> by Operating Activities	<u>\$ <6,024></u>	<u>\$ 113,714</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Line of Credit	\$ 1,025,500	\$ 1,154,500
Repayment of Line of Credit	<987,408>	<1,191,669>
Grant received restricted for Capital Expenditures		
Repayment of Mortgage Principal	<59,394>	<55,665>
Net Cash Provided <Used> in Financing Activities	<u>\$ <21,302></u>	<u>\$ <92,834></u>
NET INCREASE <DECREASE> IN CASH	<u>\$ <27,326></u>	<u>\$ 20,880</u>
CASH BALANCE – BEGINNING OF YEAR	<u>\$ 30,666</u>	<u>\$ 9,786</u>
CASH BALANCE –END OF YEAR	<u>\$ 3,340</u>	<u>\$ 30,666</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, 2015 and 2014, the Organization estimated and recorded contributions for travel, consulting services, printing, and benefit expenses in the amount of \$64,188 and \$20,353 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, 2014 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, 2015 and 2014. Each of the Organization's prior three years remain 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, 2015 and 2014, 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 December 21, 2015 with subsequent events being evaluated through this date.

MUJERES LATINAS EN ACCION
NOTES TO FINANCIAL STATEMENTS

NOTE 3. PROPERTY AND EQUIPMENT

	<u>2015</u>	<u>2014</u>
Land	\$ 69,393	\$ 69,393
Buildings	77,406	77,406
Building Improvements	3,182,090	3,182,090
Equipment	359,117	359,117
Loan Fees	18,916	18,916
Software	<u>15,666</u>	<u>15,666</u>
Total	\$ 3,722,588	\$ 3,722,588
Less: Accumulated Depreciation	<u><1,214,535></u>	<u>< 1,126,058></u>
NET PROPERTY AND EQUIPMENT	<u>\$ 2,508,053</u>	<u>\$ 2,596,530</u>

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Program Restricted	\$ 615,379	\$ 481,192
Capital Expenditures	<u>200,000</u>	<u>200,000</u>
Total	<u>\$ 815,379</u>	<u>\$ 681,192</u>

NOTE 5. LINE OF CREDIT

Mujeres had one-year, \$200,000 line of credit with Fifth Third Bank that matured on October 27, 2015. Variable interest is at prime plus 1.75% with the buildings on 17th Street and 21st Place serving as collateral. The line of credit was subsequently renewed with similar terms and matures on July 27, 2016.

The balance outstanding at June 30, 2015 and 2014 was \$197,570 and \$159,478, respectively. Interest paid was \$7,487 and \$8,832 during the fiscal years ended June 30, 2015 and 2014.

NOTE 6 CONCENTRATIONS

One government agency represented 13% and 15% of total revenues for the years ended June 30, 2015 and 2014. One government agency represented 18% of grants receivable at June 30, 2015. Two government agencies represented 31% of grants receivable at June 30, 2014. Two foundations represented 26% of grants receivable at June 30, 2015 and one foundation represented 12% of grants receivable at June 30, 2014.

MUJERES LATINAS EN ACCION
NOTES TO FINANCIAL STATEMENTS

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 21st Place and 17th 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 balance outstanding as of June 30, 2015 was \$1,047,924.

Interest expense for 2015 and 2014 was \$69,905 and \$73,653, respectively.

Future principal payments due by fiscal year:

2016	63,371
2017	<u>984,553</u>
	<u>\$ 1,047,924</u>

NOTE 8. LEASES

Mujeres leases additional space and equipment under various monthly lease agreements. Office rent expense for the year ended June 30, 2015 and 2014 was \$55,985 and \$41,606. Copier equipment rental for the year ended June 30, 2015 and 2014 was \$12,677 and \$10,809. The future minimum rental payments under these leases as of June 30, 2015 are as follows:

2016	\$ 62,793
2017	27,669

MUJERES LATINAS EN ACCION
NOTES TO FINANCIAL STATEMENTS

NOTE 9. GRANTS RECEIVABLE

The net present value of outstanding grants was discounted at .3% as of June 30, 2015 and .1% as of June 30, 2014.

	2015	2014
In One Year or Less	\$ 541,205	\$ 674,977
Between One Year and Five Years	290,100	150,000
Six Years and After	0	0
Gross Grants Receivable	\$ 831,305	\$ 824,977
Less: Present Value Discount	0	0
Less: Allowance for Uncollectible Grants	<4,000>	<7,455>
Grants Receivable, Net	\$ 827,305	\$ 817,522

NOTE 10. ACCOUNTS RECEIVABLE

	2015	2014
Gross Accounts Receivable	\$ 2,162	\$ 19,787
Less: Allowance for Uncollectible Accounts	0	<11,402>
Accounts Receivable, Net	\$ 2,162	\$ 8,385