

**FAMILIAS EN ACCIÓN**  
**FINANCIAL STATEMENTS**  
**Year Ended June 30, 2022**



**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**FAMILIAS EN ACCIÓN**  
**FINANCIAL STATEMENTS**  
**Year Ended June 30, 2022**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Familias En Acción  
Portland, Oregon

**Opinion**

We have audited the accompanying financial statements of Familias En Acción (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Familias En Acción as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Familias En Acción and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Familias En Acción's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors  
Familias En Acción

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Familias En Acción's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Familias En Acción's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Summarized Comparative Information***

We have previously audited Familias En Acción's 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 26, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kern + Thompson, LLC*

Portland, Oregon  
March 24, 2023

**FAMILIAS EN ACCIÓN**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2022**

(With Comparative Totals as of June 30, 2021)

**ASSETS**

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 446,455	\$ 655,013
Grants and contracts receivable	418,329	501,069
Prepaid expenses	20,970	9,769
Furniture and equipment, net	41,374	48,459
<b>Total assets</b>	<b>\$ 927,128</b>	<b>\$ 1,214,310</b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 45,512	\$ 45,468
Payroll liabilities	62,241	40,255
Refundable advances	123,375	298,115
<b>Total liabilities</b>	<b>231,128</b>	<b>383,838</b>
<b>Net assets</b>		
Without donor restrictions	463,861	329,913
With donor restrictions	232,139	500,559
<b>Total net assets</b>	<b>696,000</b>	<b>830,472</b>
<b>Total liabilities and net assets</b>	<b>\$ 927,128</b>	<b>\$ 1,214,310</b>

See notes to financial statements.

**FAMILIAS EN ACCIÓN**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2022**

(With Comparative Totals for the Year Ended June 30, 2021)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
			<b>2022</b>	<b>2021</b>
<b>Revenues and other support</b>				
Grants and contracts	\$ 2,084,634	\$ 27,280	\$ 2,111,914	\$ 3,206,863
Foundation grants	103,551	290,000	393,551	215,900
Registration fees	46,249	-	46,249	29,675
Sponsorship	103,958	-	103,958	44,649
Individual contributions	8,441	-	8,441	9,559
Corporate contributions	6,755	-	6,755	10,000
Interest income	214	-	214	153
Other income	5,282	-	5,282	14,912
	2,359,084	317,280	2,676,364	3,531,711
Net assets released from restrictions	585,700	(585,700)	-	-
<b>Total revenues and other support</b>	<b>2,944,784</b>	<b>(268,420)</b>	<b>2,676,364</b>	<b>3,531,711</b>
<b>Expenses</b>				
Program services				
Food Equity Health & Education	486,607	-	486,607	470,011
Patient Navigation & Support	1,674,597	-	1,674,597	2,457,646
HIV & Sexual Health	380,354	-	380,354	346,754
Climate Justice	112,685	-	112,685	-
Conference	98,728	-	98,728	-
Total program expenses	2,752,971	-	2,752,971	3,274,411
Supporting services				
Management and general	57,865	-	57,865	34,144
<b>Total expenses</b>	<b>2,810,836</b>	<b>-</b>	<b>2,810,836</b>	<b>3,308,555</b>
<b>Change in net assets</b>	<b>133,948</b>	<b>(268,420)</b>	<b>(134,472)</b>	<b>223,156</b>
Net assets, beginning of year	329,913	500,559	830,472	609,388
<b>Net assets, end of year</b>	<b>\$ 463,861</b>	<b>\$ 232,139</b>	<b>\$ 696,000</b>	<b>\$ 832,544</b>

See notes to financial statements.

**FAMILIAS EN ACCIÓN**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2022**

(With Comparative Totals for the Year Ended June 30, 2021)

	<b>PROGRAM SERVICES</b>						<b>SUPPORTING SERVICES</b>	<b>Total</b>	
	<b>Food Equity Health &amp; Education</b>	<b>Patient Navigation &amp; Support</b>	<b>HIV &amp; Sexual Health</b>	<b>Climate Justice</b>	<b>Conference</b>	<b>Total Program</b>	<b>Management and General</b>	<b>2022</b>	<b>2021</b>
Compensation	\$ 269,828	\$ 437,558	\$ 206,497	\$ 47,492	\$ 598	\$ 961,973	\$ 3,262	\$ 965,235	\$ 643,852
Employee benefits	24,227	64,065	22,805	9,070	75	120,242	277	120,519	80,660
Payroll taxes	27,254	49,472	20,808	5,020	208	102,762	425	103,187	64,049
Client services	74,788	980,101	56,370	30,905	16,025	1,158,189	583	1,158,772	1,991,139
Professional services	57,816	46,491	38,679	11,682	47,859	202,527	44,806	247,333	242,281
Conference expenses	5,591	15,400	12,516	579	29,104	63,190	228	63,418	51,788
Insurance	1,011	3,462	797	246	194	5,710	114	5,824	7,541
Occupancy	3,431	11,753	2,707	835	657	19,383	383	19,766	37,176
Office expense	7,540	20,014	6,984	2,011	292	36,841	585	37,426	57,736
Printing and copying	3,054	6,148	1,787	184	605	11,778	69	11,847	19,450
Staff development	-	-	-	-	-	-	-	-	600
Telecommunications	6,563	17,548	4,702	2,697	996	32,506	268	32,774	79,231
Travel	680	6,548	1,241	810	200	9,479	2,242	11,721	21,764
Depreciation	1,229	4,212	970	299	235	6,945	138	7,083	2,491
Volunteer recognition	1,635	5,107	1,942	379	804	9,867	640	10,507	9,626
Miscellaneous	1,960	6,718	1,549	476	876	11,579	3,845	15,424	1,243
	<b>\$ 486,607</b>	<b>\$ 1,674,597</b>	<b>\$ 380,354</b>	<b>\$ 112,685</b>	<b>\$ 98,728</b>	<b>\$ 2,752,971</b>	<b>\$ 57,865</b>	<b>\$ 2,810,836</b>	<b>\$ 3,310,627</b>

See notes to financial statements.

**FAMILIAS EN ACCIÓN**  
**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2022**  
(With Comparative Totals for the Year Ended June 30, 2021)

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (134,472)	\$ 221,084
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,086	2,491
(Increase) decrease in assets:		
Grants and contracts receivable	82,740	(289,369)
Prepaid expenses	(11,201)	(6,642)
Increase (decrease) in liabilities:		
Accounts payable	44	20,048
Payroll liabilities	21,985	24,632
Refundable advances	(174,740)	295,206
<b>Net cash provided by (used in) operating activities</b>	<b>(208,558)</b>	<b>267,450</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	-	(44,723)
<b>Net cash provided by (used in) investing activities</b>	<b>-</b>	<b>(44,723)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(208,558)</b>	<b>222,727</b>
Cash and cash equivalents, beginning of year	655,013	432,286
<b>Cash and cash equivalents, end of year</b>	<b>\$ 446,455</b>	<b>\$ 655,013</b>

See notes to financial statements.

## FAMILIAS EN ACCIÓN

### NOTES TO FINANCIAL STATEMENTS

June 30, 2022

#### NOTE A – DESCRIPTION OF ORGANIZATION

Familias en Acción (the Organization) is a nonprofit organization working to promote holistic family well-being for Latinos through community engagement, education, research, and advocacy for social change. Our priorities include food equity, HIV information, climate justice, chronic disease prevention, leadership development and elimination of health disparities.

Program services are as follows:

- **Food Equity & Health Education** – Our food equity curriculum is called Abuela, Mama y Yo (AMY). Through AMY, we “train-the-trainers” and then they lead community classes that are six sessions. They address healthy eating, traditional values and food, accessing healthy foods and advocacy to change food policies that impact health disparities for Latinos. Familias en Acción works to educate and empower Latino families by providing classes available in Spanish on chronic disease management, exercise, and nutrition. Our Food Equity Program has also created a Community Council to contribute to systems change work around accessing nutritious food. We train Council members on current health issues and foster their leadership, advocacy and public policy skills to help them advocate for themselves and their communities.
- **HIV & Sexual Health** - Our program engages with Latino communities in Oregon to help identify and implement community-driven solutions that address the impact of HIV in our families and communities. We’ve trained community health workers and volunteers from Latino CBOs with our sexual health curriculum, *Me Cuido, Te Cuido*, to teach in their own community classes, or *talleres*. Our program maintains ongoing communications with facilitators to update them on new or changed information for sexual health resources. We recognize that community participation is essential in formulating a more effective strategy to combat HIV/AIDS in Oregon. Long-term community engagement will be critical in sustaining the involvement of communities in any type of decision-making or activities.
- **Patient Navigation & Support** – Familias en Acción works to improve access to healthcare for members of the Latino communities who have been diagnosed with COVID -19 and chronic health conditions, regardless of insurance. To achieve this, the organization staffs CHW navigators who offer resources to each client to provide rental and utility assistance, reduce medical and pharmacy costs; reduce cultural, language and social barriers; set up appointments to see doctors and other health professionals; and connect participants with social services. They also provide self-management classes on diabetes and other chronic diseases, as well as the Diabetes Prevention Program.
- **Climate & Health Equity** – In 2021, Familias en Acción launched its Climate & Health Equity Program, *Acción Climática*. The program recognizes that Climate change is more than an environmental issue, and that it disproportionately affects those with existing health and social disparities, like the Latino community, more. Building upon our values for community resilience and understanding resilience as more than bouncing back from adversity, but also includes mental resources like determination, self-worth and kindness, we build our program with the following pillars: Culture and Identity, Family Resilience and Wellbeing, Facing Climate and Racial Capitalism, Food and Land Sovereignty, and Advocacy and Community Engagement.

## FAMILIAS EN ACCIÓN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

#### NOTE A – DESCRIPTION OF ORGANIZATION (CONTINUED)

- **Latino Health Equity Conference** – Familias en Acción hosts the annual Latino Health Equity Conference which is a forum on health equity through research, programs and policies. The conference includes a national speaker to address the latest in Latino health issues. The emphasis of the event is to bridge the gap between health research and practice to develop health equity strategies for Latinos. The target audience of the conference are health professionals and administrators; representatives from community organizations; city, county, and state personnel; public health practitioners; local health organizations, educators and researchers; and students. The June 2022 conference was on sexual health and fully funded by the HIV & Sexual Health program. The June 2022 conference was centered around community resilience and the vital role our Community Health Workers played to support our Latino community during the COVID-19 pandemic.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Organization are described below to enhance the usefulness of the financial statements to the reader.

##### Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

##### Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting; consequently, certain revenues are reflected in the accounts in the period in which they are considered earned, rather than received, and expenses are recorded when incurred, rather than when paid. Assets and liabilities are presented on the basis of historical cost rather than estimated current values and amounts.

## FAMILIAS EN ACCIÓN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Contributions**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

##### **Functional Allocation of Expenses**

The costs of providing the programs and supporting services have been summarized in the Statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort and square-footage usage estimates.

##### **Grants Receivable and Contracts Receivable**

Grants and contracts receivable are uncollateralized and are recorded monthly as the related services are provided and billed. Management periodically assesses the need for an allowance for doubtful accounts based on historical experience and existing conditions affecting probable collection. Receivables are considered impaired if unpaid balances are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines the receivables will not be collected. Management has determined that an allowance for doubtful accounts was not necessary as of June 30, 2022.

##### **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.

##### **Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and receivables.

The Organization places its cash with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC coverage are not insured. At June 30, 2022, the Organization held about \$246,559 in excess of FDIC coverage.

##### **Cash and Cash Equivalents**

For purposes of these financial statements, all short-term, highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

**FAMILIAS EN ACCIÓN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

**Furniture and Equipment**

Acquisitions of furniture and equipment in excess of \$500 are capitalized at cost if purchased or at fair market value at the date received as a donation. Depreciation is provided by using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Expenditures for maintenance and repairs are charged to expense as incurred.

**Prior Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. 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 Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

**NOTE C – FURNITURE AND EQUIPMENT**

Furniture and equipment consist of the following:

Furniture, fixtures and equipment	\$ 62,515
Less accumulated depreciation	<u>(21,141)</u>
	<u>\$ 41,374</u>

Depreciation for the year ending June 30, 2022 totaled \$7,086.

**NOTE D – CONDITIONAL PROMISES TO GIVE/REFUNDABLE ADVANCES**

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

As of June 30, 2022, conditional grants for programs are as follows:

OHA equity and inclusion	\$ 18,757
OHA Covid resilience	<u>104,618</u>
	<u>\$ 123,375</u>

**FAMILIAS EN ACCIÓN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE E – IN-KIND CONTRIBUTIONS**

Volunteers are involved in a variety of ways with Familias, including the Board, the conference, and the Community Council. The Organization estimates that 23 volunteers contributed approximately 258 volunteer hours. No amounts have been recognized in the accompanying statements of activities because they did not meet the criteria for recognition.

**NOTE F – RESTRICTIONS ON NET ASSETS**

The Organization's net assets with donor restrictions subject to purpose restrictions as of June 30, 2022 are as follows:

Patient Navigation and Support	\$	115,287
Food Equity Programs		105,120
HIV/STI Program		3,476
Climate Justice Program & Other		8,256
	\$	<u>232,139</u>

**NOTE G – RETIREMENT PLAN**

The Organization sponsors a tax-deferred annuity plan under Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees. The Organization contributes 3% of salaries to the plan. Employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Code. The Organization contributed \$25,301 for the year ended June 30, 2022.

**NOTE H – LIQUIDITY**

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2022:

Financial assets at year-end		
Cash and cash equivalents	\$	446,455
Grants and contracts receivable		418,329
Less amounts unavailable for use within one year:		
Purpose restricted by donor		<u>(232,139)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>632,645</u>

As part of its liquidity management, the Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**FAMILIAS EN ACCIÓN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2022**

**NOTE I – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 24, 2023, which is the date the financial statements were available to be issued.