

FAMILIAS EN ACCIÓN
FINANCIAL STATEMENTS
Year Ended June 30, 2017



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Familias en Acción
Portland, Oregon

We have reviewed the accompanying financial statements of Familias en Acción (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed Familias en Acción's 2016 financial statements and in our conclusion dated October 5, 2016, stated that based on our review, we were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2016, for it to be consistent with the reviewed financial statements from which it has been derived.

Kern & Thompson, LLC

Portland, Oregon
October 11, 2017

FAMILIAS EN ACCIÓN
STATEMENT OF FINANCIAL POSITION

June 30, 2017
(With Comparative Totals as of June 30, 2016)

ASSETS

	2017	2016
Cash and cash equivalents	\$ 202,640	\$ 292,317
Grants and contributions receivable	113,088	223,782
Prepaid expenses	7,609	7,260
Furniture and equipment, net	681	1,967
Total assets	\$ 324,018	\$ 525,326

LIABILITIES AND NET ASSETS

Accounts payable	\$ 8,611	\$ 23,523
Payroll liabilities	21,636	11,525
Total liabilities	30,247	35,048
Net assets		
Unrestricted net assets	109,827	52,317
Temporarily restricted	183,944	437,961
Total net assets	293,771	490,278
Total liabilities and net assets	\$ 324,018	\$ 525,326

See independent accountants' review report and notes to financial statements.

FAMILIAS EN ACCIÓN

STATEMENT OF ACTIVITIES

Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2017</u>	<u>2016</u>
Revenues and other support				
Foundation grants	\$ -	\$ 154,996	\$ 154,996	\$ 550,712
Government contracts	76,250	-	76,250	-
Program service revenue	54,777	-	54,777	25,500
Registration fees	18,770	-	18,770	20,376
Sponsorship	35,150	-	35,150	40,526
Individual contributions	2,340	-	2,340	2,107
Corporate contributions	6,342	-	6,342	500
Interest income	216	-	216	216
Other income	4,295	-	4,295	500
	<u>198,140</u>	<u>154,996</u>	<u>353,136</u>	<u>640,437</u>
Net assets released from restrictions	<u>409,013</u>	<u>(409,013)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>607,153</u>	<u>(254,017)</u>	<u>353,136</u>	<u>640,437</u>
Expenses				
Program services	508,834	-	508,834	366,183
Management and general	35,345	-	35,345	37,906
Fundraising	5,464	-	5,464	27,009
Total expenses	<u>549,643</u>	<u>-</u>	<u>549,643</u>	<u>431,098</u>
Change in net assets	57,510	(254,017)	(196,507)	209,339
Net assets, beginning of year	<u>52,317</u>	<u>437,961</u>	<u>490,278</u>	<u>280,939</u>
Net assets, end of year	<u>\$ 109,827</u>	<u>\$ 183,944</u>	<u>\$ 293,771</u>	<u>\$ 490,278</u>

See independent accountants' review report and notes to financial statements.

FAMILIAS EN ACCIÓN

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

	PROGRAM SERVICES	SUPPORTING SERVICES		Total	
		Management and General	Fund- Raising	2017	2016
Compensation	\$ 270,882	\$ 993	\$ -	\$ 271,875	\$ 251,964
Employee benefits	28,608	139	-	28,747	26,940
Payroll taxes	21,566	399	-	21,965	26,463
Accounting services	-	5,700	-	5,700	8,787
Bank and merchant fee	-	196	-	196	111
Bookkeeping services	-	11,000	-	11,000	11,000
Conference expenses	10,851	-	-	10,851	14,170
Depreciation	-	1,285	-	1,285	1,459
Dues and subscriptions	250	1,102	-	1,352	2,439
Food program expenses	4,554	-	-	4,554	2,156
Insurance	-	1,581	-	1,581	1,371
IT services	149	223	-	372	210
Mileage and meals	10,215	390	2	10,607	7,050
Occupancy	5,336	-	-	5,336	5,390
Office expense	8,381	2,916	-	11,297	9,859
Professional services	95,881	2,962	5,462	104,305	39,391
Printing and copying	8,027	-	-	8,027	4,966
Program supplies	6,843	127	-	6,970	1,036
Staff development	5,700	1,367	-	7,067	2,354
Telecommunications	180	3,942	-	4,122	4,505
Travel	19,542	-	-	19,542	2,104
Volunteer recognition	11,393	745	-	12,138	7,245
Miscellaneous	476	278	-	754	128
	\$ 508,834	\$ 35,345	\$ 5,464	\$ 549,643	\$ 431,098

See independent accountants' review report and notes to financial statements.

FAMILIAS EN ACCIÓN
STATEMENT OF CASH FLOWS

Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (196,507)	\$ 209,339
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,285	1,459
(Increase) decrease in assets:		
Grants and contributions receivable	110,695	(143,788)
Accounts receivable	-	8,770
Prepaid expenses	(349)	(1,560)
Increase (decrease) in liabilities:		
Accounts payable	(14,912)	15,911
Payroll liabilities	10,111	2,868
Net cash provided by (used in) operating activities	(89,677)	92,999
Cash and cash equivalents, beginning of year	292,317	199,318
Cash and cash equivalents, end of year	\$ 202,640	\$ 292,317

See independent accountants' review report and notes to financial statements.

FAMILIAS EN ACCIÓN

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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 chronic disease prevention and education, cancer survivorship, community leadership development, elimination of health disparities, and community based participatory research. Familias en Acción is proud to be an affiliate of the National Council of La Raza.

Program services are as follows:

- **Patient Navigation** – Familias en Acción works to improve access to health care for members of the Latino communities who have been diagnosed with cancer or chronic health conditions, regardless of insurance. To achieve this, the Organization staffs Patient Navigators who offer resources to each client to reduce medical and pharmacy costs; reduce cultural, language and social gaps; set up appointments to see doctors and other health professionals; and to connect participants with social services.
- **Classes and Support Groups** – Familias en Acción works to educate and empower its clients by providing classes available in Spanish on chronic disease management, exercise and nutrition. The Organization also offers a monthly support group in Spanish for clients and family members which emphasizes healthy living and provides information on nutrition, fitness, patient engagement, healthcare reform, and resources for managing chronic diseases.
- **Palliative Care Training** – Familias en Acción works to improve the quality of palliative care available to members of the Latino communities. In order to achieve this, the Organization offers a four-hour in-person class and a twelve-hour online course designed to train health care professionals to provide culturally competent palliative care to Latinos. The Organization also offers a two-hour in-person community training session designed to introduce patients, families, and trusted leaders of the Latino communities to the concepts of patient centered care and the active management of chronic illness.
- **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.

FAMILIAS EN ACCIÓN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Classifications of net assets and support are based on the existence or absence of donor imposed restrictions.

Expenses are reported as a decrease in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (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.

Grants 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, 2017.

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.

FAMILIAS EN ACCIÓN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 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.

Allocation of Functional Expenses

The cost of providing the various programs and other activities has been summarized in the Statement of Activities. Certain costs, including salaries and administrative operating expenses, have been allocated among the programs and supporting services benefited.

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, 2016, from which the summarized information was derived.

NOTE C – FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following:

Furniture, fixtures and equipment	\$	9,800
Less accumulated depreciation		<u>(9,119)</u>
	\$	<u><u>681</u></u>

FAMILIAS EN ACCIÓN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

NOTE D – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2017 are as follows:

Patient navigation	\$ 91,245
Palliative training	<u>92,699</u>
	<u>\$ 183,944</u>

NOTE E – IN-KIND CONTRIBUTIONS

Volunteers provide many of the Organization's daily personnel needs for routine operations. No amounts have been recognized in the accompanying statements of activities because they did not meet the criteria for recognition.

The Organization estimates that 35 volunteers contributed from 10-50 hours over the course of the last year, for a total of approximately 750 volunteer hours.

NOTE F – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 11, 2017, which is the date the financial statements were available to be issued.