

JUNTA FOR PROGRESSIVE ACTION, INC.

Financial Statements

December 31, 2014 and 2013

JUNTA FOR PROGRESSIVE ACTION, INC.
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Simione Macca & Larrow^{LLP}



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

"On Balance, We Offer You More."

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
JUNTA for Progressive Action, Inc.
New Haven, Connecticut

We have audited the accompanying financial statements of JUNTA for Progressive Action, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT
(Continued)

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 JUNTA for Progressive Action, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sunione Macca & Larrow LLP

Hamden, Connecticut
September 25, 2015

JUNTA FOR PROGRESSIVE ACTION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

ASSETS	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 153,696	\$ 136,964
Contributions receivable	3,015	50,875
Grants receivable	45,708	39,784
Prepaid expenses	<u>3,165</u>	<u>6,929</u>
Total Current Assets	<u>205,584</u>	<u>234,552</u>
PROPERTY AND EQUIPMENT		
Land	71,410	71,410
Buildings	54,605	28,037
Equipment	6,007	4,882
Furniture and fixtures	8,788	7,678
Improvements	<u>193,441</u>	<u>193,441</u>
	334,251	305,448
Less accumulated depreciation	<u>74,440</u>	<u>65,824</u>
Net Property and Equipment	<u>259,811</u>	<u>239,624</u>
Total Assets	<u>\$ 465,395</u>	<u>\$ 474,176</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued expenses	\$ 5,022	\$ 6,151
Deferred revenue	<u>1,963</u>	<u>1,963</u>
Total Current Liabilities	<u>6,985</u>	<u>8,114</u>
NET ASSETS		
Unrestricted	458,410	459,045
Temporarily restricted	<u>-</u>	<u>7,017</u>
Total Net Assets	<u>458,410</u>	<u>466,062</u>
Total Liabilities and Net Assets	<u>\$ 465,395</u>	<u>\$ 474,176</u>

See notes to financial statements.

JUNTA FOR PROGRESSIVE ACTION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 31, 2014 and 2013

	2014		2013		
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted	Total
REVENUES AND SUPPORT					
Grants	\$ 352,157	\$ -	\$ 352,157	\$ -	\$ 333,087
Contributions	166,819	19,300	186,119	34,658	200,088
Donated services	29,172	-	29,172	-	24,336
Special event revenue	36,342	-	36,342	-	32,420
Less direct benefit to donors	(11,152)	-	(11,152)	-	(9,101)
Net assets released from restrictions:					
Satisfaction of program restrictions	26,317	(26,317)	-	(65,191)	-
Total Revenues and Support	<u>599,655</u>	<u>(7,017)</u>	<u>592,638</u>	<u>(30,533)</u>	<u>580,830</u>
EXPENSES					
Program services	464,447	-	464,447	-	451,850
Management and general	82,630	-	82,630	-	89,631
Fundraising	53,213	-	53,213	-	54,614
Total Expenses	<u>600,290</u>	<u>-</u>	<u>600,290</u>	<u>-</u>	<u>596,095</u>
Change in net assets	(635)	(7,017)	(7,652)	(30,533)	(15,265)
NET ASSETS, Beginning	<u>459,045</u>	<u>7,017</u>	<u>466,062</u>	<u>37,550</u>	<u>481,327</u>
NET ASSETS, Ending	<u>\$ 458,410</u>	<u>\$ -</u>	<u>\$ 458,410</u>	<u>\$ 7,017</u>	<u>\$ 466,062</u>

See notes to financial statements.

JUNTA FOR PROGRESSIVE ACTION, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (7,652)	\$ (15,265)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	8,617	7,825
Loss on disposition of property and equipment	-	16
Changes in operating assets and liabilities:		
Grants receivable	(5,924)	23,716
Contributions receivable	47,860	(45,239)
Prepaid expenses	3,764	(633)
Accounts payable	-	-
Accrued expenses	(1,129)	1,149
Deferred revenue	-	331
Net Cash Provided by (Used in) Operating Activities	45,536	(28,100)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(28,804)	(2,391)
Net increase (decrease) in cash and cash equivalents	16,732	(30,491)
CASH AND CASH EQUIVALENTS, Beginning	136,964	167,455
CASH AND CASH EQUIVALENTS, Ending	\$ 153,696	\$ 136,964

See notes to financial statements.

JUNTA FOR PROGRESSIVE ACTION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2014 and 2013

	2014			2013			
	Program Services	Supporting Services		Program Services	Supporting Services		Total
		Management and General	Fundraising		Management and General	Fundraising	
Salaries	\$ 284,347	\$ 35,352	\$ 38,452	\$ 285,804	\$ 35,533	\$ 38,649	\$ 359,986
Fringe benefits and payroll taxes	44,202	5,666	6,800	48,816	6,258	7,510	62,584
Total salaries and related	328,549	41,018	45,252	334,620	41,791	46,159	422,570
Program supplies	43,316	-	-	33,894	-	-	33,894
Contract services	12,990	24,805	352	11,451	21,865	310	33,626
Supplies	7,221	3,926	739	4,129	2,888	912	7,929
Travel and entertainment	8,081	3,395	309	6,013	10,731	91	16,835
Telephone and utilities	8,477	1,695	1,130	8,058	1,611	1,074	10,743
Insurance	7,437	1,488	991	7,614	1,523	1,015	10,152
Depreciation	6,463	1,293	861	5,869	1,174	782	7,825
Equipment rental	3,091	1,938	412	2,750	1,724	367	4,841
Repairs and maintenance	3,645	729	486	5,993	1,199	799	7,991
Computer expense	2,598	519	346	2,777	555	370	3,702
Postage	1,557	349	699	223	116	405	744
Dues and subscriptions	1,175	1,365	23	1,901	1,836	-	3,737
Printing	49	-	1,613	-	-	2,330	2,330
Professional development	626	110	-	2,222	2,602	-	4,824
Loss on disposition of property and equipment	-	-	736	-	16	-	16
Donated services	435,275	82,630	53,213	427,514	89,631	54,614	571,759
	29,172	-	29,172	24,336	-	-	24,336
Total Expenses	\$ 464,447	\$ 82,630	\$ 53,213	\$ 451,850	\$ 89,631	\$ 54,614	\$ 596,095

See notes to financial statements.

JUNTA FOR PROGRESSIVE ACTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - JUNTA for Progressive Action, Inc. (the "Organization") was established as a not-for-profit Connecticut corporation in 1969.

The Organization is based in New Haven, Connecticut. The Organization's mission is to provide services that improve the social, political, and economic conditions of the Latino community in the greater New Haven area, while nurturing and promoting cultural tradition as it builds bridges with other communities. The programs include education, economic development, legal advocacy, family management, various children's programs, cultural appreciation, and worker's rights. The Organization also acts as a referral agency to various other service entities around the greater New Haven area.

The Organization receives funding from the State of Connecticut and the City of New Haven to perform specified contracted services. The Organization also receives funding through contributions from private foundations and individuals.

Basis of Presentation - In accordance with Accounting Standards Codification ("ASC") Topic 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*, the Organization reports information regarding their financial position and activities according to three classes of net assets:

Unrestricted - Unrestricted net assets represent resources that may be spent at the discretion of the Board of Directors.

Temporarily Restricted - Temporarily restricted net assets represent resources that are restricted by the donor either as to purpose or as to time of expenditure.

Permanently Restricted - Permanently restricted net assets represent contributions received with the donor restriction that the principal be invested in perpetuity and that only the income earned thereon will be available for operations. The Organization has no permanently restricted net assets.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Organization includes cash on hand, and unrestricted demand deposits with financial institutions, in "Cash and Cash Equivalents" as used in the Statements of Cash Flows. The Organization also considers short-term, highly liquid investments with maturities of three months or less from the date of original acquisition to be cash equivalents. There were no cash equivalents at December 31, 2014.

JUNTA FOR PROGRESSIVE ACTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - It is the Organization's policy to capitalize property and equipment over \$500. Property and equipment is carried at cost, or if donated, at the approximate fair market value at the date of donation. Expenditures for repairs and maintenance are charged to operations as incurred. Depreciation is computed using accelerated methods over the estimated useful lives of the assets which range from five to thirty-nine years.

Grants - Grant awards are recognized as unrestricted revenue to the extent of grant expenditures incurred. Grant expenditures incurred in excess of grant funds received are reported as a receivable. Grant funds received in excess of grant expenditures incurred are reported as deferred revenue.

Contributions - The Organization accounts for contributions in accordance with ASC Topic 605, *Revenue Recognition*. In accordance with ASC 605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes - The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, the Organization is exempt from State and Federal income taxes. The Internal Revenue Service has determined that the Organization is other than a private foundation.

Uncertain Tax Positions - Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. As of December 31, 2014, the Organization's tax returns generally remain subject to examination by major tax jurisdictions for the last three years.

Functional Expenses - The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services - The Organization recognizes donated services if they create or enhance non-financial assets or require specialized skills that would typically be purchased. General volunteer services do not meet these criteria for recognition in the financial statements. However, a substantial number of volunteers have donated significant amounts of time to the Organization's programs.

JUNTA FOR PROGRESSIVE ACTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Disclosure of Subsequent Events - Management has evaluated subsequent events through September 25, 2015, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the balance sheet date which would require additional adjustment to, or disclosure in, the accompanying financial statements.

NOTE 2 - CREDIT RISK

At certain times, the Organization has amounts on deposit with financial institutions in excess of the FDIC insured limit. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2014, the aggregate cash balances at the financial institutions used by the Organization did not exceed the federally insured limit.

NOTE 3 - EMPLOYEE RETIREMENT PLAN

The Organization maintains an IRS Section 408(p) Simple IRA plan for all of the eligible employees meeting the IRS eligibility requirements. Employees are eligible to contribute to the plan after one year of full time employment. The Organization matches employee contributions up to three percent per year. For the years ended December 31, 2014 and 2013, the Organization made matching contributions of \$4,103 and \$4,796, respectively.

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available at December 31, 2014 and 2013 for the following purposes:

	2014	2013
Advocacy and Education	\$ -	\$ 4,122
Other Purposes	-	2,895
	\$ -	\$ 7,017

NOTE 5 - LEASE COMMITMENTS

On January 18, 2012, the Organization entered into an operating lease for office equipment with a monthly rental of \$250 through January 2017. Total rent expense for the equipment under this lease was \$3,000 in 2014 and 2013.

JUNTA FOR PROGRESSIVE ACTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LEASE COMMITMENTS (Continued)

Future minimum lease payments at December 31, 2014 are as follows:

<u>Year Ending December 31,</u>	
2015	\$ 3,000
2016	3,000
2017	<u>250</u>
Total Operating Lease Commitments	<u>\$ 6,250</u>

NOTE 6 - DONATED SERVICES

The value of donated services and rent meeting the recognition criteria of ASC Topic 958-205 *Not for Profit Entities, Presentation of Financial Statements* is included in the financial statements as both revenue and expense.

During 2014 and 2013, the Organization received the services of a school security officer and a custodian at no charge in connection with the Organization's adult education program. The value of the donated services is \$29,712 and \$24,336 in 2014 and 2013, respectively.