

# LATIN AMERICAN COALITION

## AUDITED FINANCIAL STATEMENTS

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For The Period Ended June 30, 2009

*Report Dated August 26, 2009*

***Bobby T. Martin, CPA, PLLC  
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Charlotte, North Carolina 28204***

LATIN AMERICAN COALITION



AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2009

# LATIN AMERICAN COALITION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Latin American Coalition  
Charlotte, North Carolina

I have audited the accompanying statement of financial position of Latin American Coalition as of June 30, 2009, and the related statements of activities, cash flows and functional expenditures for the year then ended. These financial statements are the responsibility of the Coalition's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards of the United States of America. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Latin American Coalition as of June 30, 2009, and the results of its operations for the year then ended in conformity with generally accepted accounting principles of the United States of America.

*Bobby T. Martin, CPA, PLLC*

August 26, 2009

# LATIN AMERICAN COALITION

## Statement of Financial Position

June 30, 2009

### ASSETS

*Current Assets:*

Cash	\$	78,761
Grants Receivable		66,900
Accounts Receivable		25,602
Prepaid Expenses		<u>6,050</u>

Total Current Assets 177,313

*Property and Equipment:*

Furniture and Fixtures		10,364
Leasehold Improvements		5,390
Less Accumulated Depreciation		<u>(5,635)</u>

Net Property and Equipment 10,119

*Deposits*

5,690

Total Assets \$ 193,122

### LIABILITIES AND NET ASSETS

*Current Liabilities:*

Accounts Payable	\$	20,457
Accrued Leave		21,040
Micro Loan Fund		11,932
Current Portion of Loan Payable		<u>3,052</u>

Total Current Liabilities 56,481

*Long-Term Debt*

Loan Payable - Net of Current Portion 6,948

Total Long-Term Debt 6,948

Total Liabilities 63,429

*Net Assets:*

Unrestricted		28,293
Temporarily Restricted		<u>101,400</u>

Total Net Assets 129,693

Total Liabilities and Net Assets \$ 193,122

The accompanying notes to financial statements are an integral part of these financial statements.

# LATIN AMERICAN COALITION

## Statement of Activities Year Ended June 30, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<i>Support and Revenue:</i>			
Contributions	\$ 19,055	\$	\$ 19,055
Grants	151,817	408,442	560,259
Cultural Events	137,673		137,673
Sponsorships	220,141		220,141
Interest Income	1,229		1,229
Rent	17,980		17,980
Program Income	75,457		75,457
Other Income	461		461
Net Assets Released from Restrictions by Payments	<u>441,919</u>	<u>(441,919)</u>	<u>-</u>
Total Public Support and Revenue	1,065,732	(33,477)	1,032,255
<i>Expenditures:</i>			
Program:			
Advocacy	75,139		75,139
Housing and Financial Literacy	92,519		92,519
Cultural Events	322,047		322,047
Information and Referral	255,929		255,929
Tutorial	140,446		140,446
Other Programs	97,348		97,348
General and Administration:			
Administration	<u>196,875</u>		<u>196,875</u>
Total Functional Expenditures	<u>1,180,303</u>	<u>-</u>	<u>1,180,303</u>
<i>Excess of Public Support and Revenues over Expenditures</i>	(114,571)	(33,477)	(148,048)
Net Assets, Beginning	<u>142,864</u>	<u>134,877</u>	<u>277,741</u>
Net Assets, June 30, 2009	<u>\$ 28,293</u>	<u>\$ 101,400</u>	<u>\$ 129,693</u>

The accompanying notes to financial statements are an integral part of these financial statements.

# LATIN AMERICAN COALITION

## Statement of Cash Flows

Year Ended June 30, 2009

*Cash Flows From Operating Activities:*

Net Income (Loss)	\$	(148,048)
Adjustments to Reconcile Excess of Public Support to Net Cash Provided by Operating Activities:		
Depreciation		3,920
(Increase) Decrease in Current Assets:		
Grants Receivable		79,227
Accounts Receivable		26,814
Prepaid Expenses		(937)
Increase (Decrease) in Current Liabilities:		
Accounts Payable		313
Accrued Leave		9,016
Micro Loan Fund		11,932

*Net Cash From Operating Activities* (17,763)

*Cash Flows From Investing Activities:*

Increase in Deposits	(3,652)
Increase in Furniture and Equipment	(1,322)
Increase in Leasehold Improvements	(5,390)

*Net Cash Used by Financing Activities* (10,364)

*Cash Flows From Financing Activities:*

Increase in Loan Payable	10,000
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*Net Cash From Financing Activities* 10,000

Increase (Decrease) in Cash (18,127)

Cash at Beginning of Year 96,888

Cash, June 30, 2009 \$ 78,761

The accompanying notes to financial statements are an integral part of these financial statements.

**LATIN AMERICAN COALITION**  
**Statement of Functional Expenditures**  
**Year Ended June 30, 2009**

	<u>ADVOCACY</u>	<u>DEVELOPMENT</u>	<u>HOUSING &amp; ECONOMIC</u>	<u>CULTURAL EVENTS &amp; FESTIVAL</u>	<u>INFORMATION &amp; REFERRAL</u>	<u>TUTORIAL</u>	<u>OTHER PROGRAMS</u>	<u>GENERAL &amp; ADMIN</u>	<u>TOTAL</u>
<i>Personnel Costs:</i>									
Salaries	\$ 37,256	60,449	44,243	154,072	54,653	61,517	131,472	\$ 543,662	
Fringe Benefits and Taxes	<u>7,157</u>	<u>11,721</u>	<u>8,954</u>	<u>30,556</u>	<u>10,564</u>	<u>10,884</u>	<u>21,608</u>	<u>101,444</u>	
Total Personnel	44,413	72,170	53,197	184,628	65,217	72,401	153,080	645,106	
<i>Other Expenditures:</i>									
Occupancy	7,248	7,861	17,567	21,980	6,503	6,848	17,403	85,410	
Public Relations	652	493	488	2,323	506	994	615	6,071	
Postage, Printing	2,628	1,576	8,496	5,298	2,083	3,418	2,551	26,050	
Communications	1,805	1,363	1,484	4,044	1,056	1,192	4,658	15,602	
Contractual Services	1,305	769	24,415	5,872	33,542	666	1,426	67,995	
Equipment Rental, Maintenance	223	17	60,898	51	18	16	19	61,242	
Dues and Memberships	59	105	76	469	92	97	421	1,319	
Staff Development	2,257	1,105	105	2,312	3,808	1,452	141	11,180	
Travel	3,910	234	523	889	9,420	368	376	15,720	
Meeting Expense	1,011	729	659	1,722	1,315	1,210	359	7,005	
Professional Services	4,620	5,038	8,737	19,168	5,224	6,861	3,429	53,077	
Licenses, Permits	15	24	573	438	23	147	21	1,241	
Insurance	53	74	2,673	1,260	75	55	156	4,346	
Program Expense	4,277	261	140,523	2,376	8,828	736	6,361	163,362	
Supplies	389	584	1,183	1,881	2,095	553	758	7,443	
Bank Charges	158	215	239	655	176	182	457	2,082	
Depreciation Expense							3,920	3,920	
Other	<u>116</u>	<u>(99)</u>	<u>211</u>	<u>563</u>	<u>465</u>	<u>152</u>	<u>724</u>	<u>2,132</u>	
Total Expenditures	\$ <u>75,139</u>	<u>92,519</u>	<u>322,047</u>	<u>255,929</u>	<u>140,446</u>	<u>97,348</u>	<u>196,875</u>	<u>\$ 1,180,303</u>	

The accompanying notes to financial statements are an integral part of these financial statements.

# LATIN AMERICAN COALITION

## Notes to Financial Statements

June 30, 2009

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization and Nature of Activities

The Coalicion Latinoamericana/Latin American Coalition (The Coalition) was established in November 1990 to preserve and promote the Hispanic culture through educational and cultural programs. It provides information, referral services and acts as an advocate to the Spanish speaking community in areas of education, health, employment and immigration.

The Coalition is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state taxes.

#### Public Support and Revenue

Contributions are generally available for unrestricted use unless specifically restricted by the donor. Grants are reported as temporarily restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

#### Cash and Cash Equivalents

The Coalition considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

#### Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements are capitalized at cost. It is The Coalition's policy to capitalize expenditures for these items in excess of \$ 500. Lesser amounts are expensed. Furniture and equipment are being depreciated over estimated useful lives of five to ten years using the straight-line method. Leasehold improvements are amortized over the shorter of the lease term or useful life.

**LATIN AMERICAN COALITION**  
**Notes to Financial Statements, *continued***  
**June 30, 2009**

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**NOTE 2 – DONATED SERVICES**

The Coalition receives a significant amount of donated services from unpaid volunteers who assist in special events. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

**NOTE 3 – LOAN PAYABLE**

The loan payable, in the original amount of \$ 10,000, bears interest at 9% per annum and matures May 2012.

Scheduled maturities as of June 30,

2010	\$ 3,052
2011	3,338
2012	3,610

**NOTE 4 – LEASE OBLIGATION**

The Coalition leases its facilities. The lease term is for thirty-six months from June 1, 2009. The Coalition holds an option to purchase the facility. The first twelve months rent will be applied toward the purchase of the property.

Future obligations under the lease are as follows:

2010	\$ 6,042
2011	73,229
2012	67,670