

# NE Kelly & Associates, LLC

*Certified Public Accountants and Business Advisors*

## **Boston**

59 Temple Place, Suite 556  
Boston, MA 02111  
Toll Free/Fax: (888) 490-8885  
[www.kellycpas.com](http://www.kellycpas.com)

## **New York**

687 West 204th Street Suite 4B  
New York, NY 10034

## **CENTRO PRESENTE, INC.**

*Financial Statements*

*Year Ended December 31, 2011*

**CENTRO PRESENTE, INC.**

*Financial Statements*

*December 31, 2011*

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### *Independent Auditors' Report*

To the Board of Directors  
**Centro Presente, Inc.**  
Somerville, Massachusetts

We have audited the accompanying statement of financial position of Centro Presente, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of Centro Presente, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Centro Presente, Inc.'s 2010 financial statements and, in our report dated February 25, 2011, we expressed an unqualified opinion on those financial statements.

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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Centro Presente, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



NE Kelly & Associates, LLC  
Boston, Massachusetts  
September 10, 2012

**CENTRO PRESENTE, INC.**

**Statement of Financial Position**

**As of December 31, 2011**

*(with comparative totals as of December 31, 2010)*

	<u>2011</u>	<u>2010</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 490,173	\$ 596,143
Accounts receivable	15,477	20,000
Prepaid expenses and other	18,579	42,647
Furniture and equipment, net	<u>16,296</u>	<u>20,698</u>
<i>Total assets</i>	<u>\$ 540,525</u>	<u>\$ 679,488</u>
<i>Liabilities and Net Assets</i>		
<i>Liabilities</i>		
Accounts payable	\$ 225	\$ 5,349
Accrued expenses	12,171	11,415
Deferred revenue	<u>71,787</u>	<u>74,799</u>
<i>Total liabilities</i>	<u>84,183</u>	<u>91,563</u>
<i>Net assets</i>		
Unrestricted	326,826	443,409
Temporarily restricted	<u>129,516</u>	<u>144,516</u>
<i>Total net assets</i>	<u>456,342</u>	<u>587,925</u>
<i>Total liabilities and net assets</i>	<u>\$ 540,525</u>	<u>\$ 679,488</u>

**CENTRO PRESENTE, INC.**

**Statement of Activities**

**For the Year Ended December 31, 2011**

*(with summarized comparative totals for the year ended December 31, 2010)*

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
<i>Revenue and support</i>				
Grants and contributions	\$ 309,211	\$ -	\$ 309,211	\$ 448,665
Program revenue	106,507	-	106,507	206,984
Other income	13,607	-	13,607	10,159
Interest income	214	-	214	774
Net assets released from restrictions	<u>15,000</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>
<i>Total revenue and support</i>	<u>444,539</u>	<u>(15,000)</u>	<u>429,539</u>	<u>666,582</u>
 <i>Expenses</i>				
Program services	407,676	-	407,676	398,646
General and administration	133,194	-	133,194	146,039
Fundraising	<u>20,252</u>	<u>-</u>	<u>20,252</u>	<u>30,807</u>
Total expenses	<u>561,122</u>	<u>-</u>	<u>561,122</u>	<u>575,492</u>
<i>Change in net assets</i>	<u>(116,583)</u>	<u>(15,000)</u>	<u>(131,583)</u>	<u>91,090</u>
<i>Net assets, beginning</i>	<u>443,409</u>	<u>144,516</u>	<u>587,925</u>	<u>496,835</u>
<i>Net assets, ending</i>	<u>\$ 326,826</u>	<u>\$ 129,516</u>	<u>\$ 456,342</u>	<u>\$ 587,925</u>

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

**CENTRO PRESENTE, INC.**

**Statement of Cash Flows**

**For the Year Ended December 31, 2011**

*(with comparative totals for the year ended December 31, 2010)*

	<u>2011</u>	<u>2010</u>
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ (131,583)	\$ 91,090
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	8,205	7,824
Change in:		
Accounts receivable	4,523	3,912
Prepaid expenses	24,068	(22,748)
Accounts payable and accrued expenses	(4,368)	5,141
Deferred revenue	<u>(3,012)</u>	<u>620</u>
Net cash provided by (used in) operating activities	<u>(102,167)</u>	<u>85,839</u>
<i>Cash flows from investing activities:</i>		
Purchases of fixed assets	<u>(3,803)</u>	<u>(3,008)</u>
Net cash used in investing activities	<u>(3,803)</u>	<u>(3,008)</u>
Net change in cash and cash equivalents	(105,970)	82,831
<i>Cash and cash equivalents, beginning</i>	<u>596,143</u>	<u>513,312</u>
<i>Cash and cash equivalents, ending</i>	<u>\$ 490,173</u>	<u>\$ 596,143</u>

**CENTRO PRESENTE, INC.**  
**Statement of Functional Expenses**

**For the Year Ended December 31, 2011**

*(with summarized comparative totals for the year ended December 31, 2010)*

	<i>Education for Empowerment</i>	<i>Pintamos Nuestro Mundo</i>	<i>Community Organizer</i>	<i>Legal Immigration Services</i>	<i>NACARA</i>	<i>Total Program Services</i>	<i>Fundraising</i>	<i>General and Administration</i>	<i>2011 Total</i>	<i>2010 Total</i>
Salaries and related expenses	\$ 35,256	\$ 42,811	\$ 118,198	\$ 63,109	\$ -	\$ 259,374	\$ -	\$ 111,199	\$ 370,573	\$ 337,225
Audit	-	-	-	-	-	-	-	6,900	6,900	6,975
Consultants	3,279	2,205	14,848	3,470	173	23,975	7,500	1,864	33,339	78,669
Depreciation expenses	4,102	746	1,492	1,119	-	7,459	373	373	8,205	7,824
Dues and subscriptions	-	-	549	-	-	549	-	-	549	1,447
Equipment and repairs	1,065	1,349	2,699	2,699	-	7,812	1,349	1,349	10,510	10,209
Office supplies	703	554	4,169	1,058	-	6,484	469	894	7,847	9,907
Insurance	211	177	183	941	108	1,620	98	132	1,850	1,824
Printing and postage	154	81	2,498	3,231	43	6,007	1,741	344	8,092	9,631
Program supplies	2,254	1,364	1,196	-	-	4,814	-	-	4,814	8,884
Publicity and outreach	225	-	8,750	-	-	8,975	-	-	8,975	10,727
Rent	11,173	9,406	9,691	5,741	5,741	41,752	5,217	7,031	54,000	54,000
Special events	-	-	14,782	-	-	14,782	1,680	-	16,462	13,909
Staff travel and conferences	-	201	5,446	-	-	5,647	-	-	5,647	930
Security services	156	132	136	80	80	584	73	98	755	551
Training and education	-	-	-	-	-	-	-	-	-	340
Telephone	517	517	1,798	1,033	-	3,865	517	517	4,899	4,461
Miscellaneous	62	-	3,635	395	-	4,092	-	932	5,024	4,392
Utilities	2,004	1,686	1,737	1,029	1,029	7,485	935	1,261	9,681	10,583
Internet	300	300	900	600	300	2,400	300	300	3,000	3,000
<b>Total expenses</b>	<b>\$ 61,461</b>	<b>\$ 61,529</b>	<b>\$ 192,707</b>	<b>\$ 84,505</b>	<b>\$ 7,474</b>	<b>\$ 407,676</b>	<b>\$ 20,252</b>	<b>\$ 133,194</b>	<b>\$ 561,122</b>	<b>\$ 575,488</b>

# CENTRO PRESENTE, INC.

## *Notes to Financial Statements*

### *For the Year Ended December 31, 2011*

*(with summarized comparative totals for the year ended December 31, 2010)*

#### **Note 1 - Organization**

Centro Presente, Inc. (“the Organization”) was incorporated as a not-for-profit organization in Massachusetts in 1982. The purpose of the Organization is to help Central and Latin American immigrants develop the ability to determine their individual and collective futures locally and nationally. Operated and directed primarily by Central Americans, the Organization empowers Latin American immigrant communities in greater Boston through the promotion of civic and democratic participation, leadership development, education and legal immigration services.

The Organization has five programs: 1) *Education for Empowerment*, 2) *Pintamos Nuestro Mundo*, 3) *Legal Immigration Services*, 4) *Translation and Other Services*, and 5) *Community Organizing, Leadership Development and Advocacy Work*.

- 1) ***Education for Empowerment*** provides English as a second language (ESL), literacy, US civic and citizenship classes, basic Spanish classes and computer literacy classes. This program helps participants improve work and life opportunities by increasing native literacy and English proficiency. The citizenship and civic participation classes help students integrate into their adopted society through the study of history and civics.
- 2) ***Pintamos Nuestro Mundo*** (“We Paint Our World”) is a youth arts and leadership development program for Latino immigrant youths ages 11-18. Through the arts, the students cultivate civic participation and promote positive cultural and personal understanding.
- 3) ***Legal Immigration Services*** helps over 2,500 Latino Immigrants process immigration paperwork to help them remain and work in the United States.

On May 20, 1996, the U.S Citizenship and Immigrant Services (“USCIS”), formerly INS, the U.S. Immigration and Naturalization Services, issued Interim Regulations implementing the Nicaraguan Adjustment and Central American Relief Act (“NACARA”). Passed in 1997, the NACARA gives Salvadorans and Guatemalans the right to apply for permanent residence in the United States if they meet the following conditions:

- a. They applied for ABC or Temporary Protection Status prior to 1991, or filed for asylum prior to April 1, 1990
- b. They have remained continuously in the United States for the last 7 years
- c. They have good moral character; and
- d. They can demonstrate that they would suffer extreme hardship if they were deported

Under the terms of the new regulations, all Salvadorans and Guatemalans who are members of the ABC class will be presumed to suffer extreme hardship if they are deported.

This program provides services in the following areas:

- a. Section 203 of NACARA, Suspension of Deportation/Cancellation of Removal for qualified Salvadorans and Guatemalans



# CENTRO PRESENTE, INC.

## *Notes to Financial Statements*

*For the Year Ended December 31, 2011*

*(with summarized comparative totals for the year ended December 31, 2010)*

### **Note 1 - Organization (Continued)**

- b. ABC Political Asylum Program - work permit renewals, family additions and other maintenance services to keep political asylum petitions current and up-to-date
- c. Temporary Protection Status - Salvadorans and Hondurans
- d. Legalization Services - adjustment of status, family petitions, residency renewal and citizenship to all eligible immigrants.

4) **Translation and Other Services** offers translation services. As of December 31, 2010, the Organization no longer offers translation services.

5) **Community Organizing, Leadership Development and Advocacy Work** is a program with the following core competencies: legal and educational campaigns, member led workgroups to organize the community around immigration issues and education programs focusing on immigration and other related topics. The program also sponsors grassroots cultural events celebrating Latin American native traditions.

### **Note 2 - Summary of Significant Accounting Policies**

#### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

#### ***Basis of Presentation***

Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, *Financial Statements of Not-for-Profit Organizations*. Under *Financial Statements of Not-for-Profit Organizations*, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Unrestricted Net Assets* - consist of assets, public support and program revenues, which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

*Temporarily Restricted Net Assets* - include funds with donor-imposed restrictions, which permit the Organization to expend the assets as specified, and are satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

*Permanently Restricted Net Assets* - include resources, which have a permanent donor-imposed restriction, which stipulates that the assets are to be maintained permanently, but permit the Organization to expend part or all of the income derived from the donated assets. The Organization did not have any permanently restricted net assets at December 31, 2011.

# CENTRO PRESENTE, INC.

## *Notes to Financial Statements*

### *For the Year Ended December 31, 2011*

*(with summarized comparative totals for the year ended December 31, 2010)*

#### **Note 2 - Summary of Significant Accounting Policies (Continued)**

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

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

##### ***Property and Equipment***

Property and equipment are stated at cost, or, if donated, at fair market value at date of receipt. Maintenance, repairs and minor renewals are expensed as incurred and major renewals are capitalized. The Organization's policy is to capitalize costs over \$1,000.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and equipment	3-5 years
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##### ***Contributions, Gifts, and Grants***

The Organization follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, Accounting for Contributions Received and Contributions Made. This financial accounting standard requires that contributions be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until restriction conditions are satisfied, at which time temporarily restricted net assets are reclassified to unrestricted net assets.

##### ***Revenue Recognition***

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as unrestricted support. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

# **CENTRO PRESENTE, INC.**

## ***Notes to Financial Statements***

***For the Year Ended December 31, 2011***

*(with summarized comparative totals for the year ended December 31, 2010)*

### ***Note 2 - Summary of Significant Accounting Policies (Continued)***

#### ***Revenue Recognition (Continued)***

The Organization reports gifts of land, building, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

#### ***Contributed Goods and Services***

The Organization records various types of in kind support including contributed facilities, professional services, and advertising and materials. Contributed professional services are recognized if the services received: (a) create or enhance long-lived assets, or (b) require specialized skills, or is provided by individuals possessing those skills, or would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received.

Additionally, the Organization receives a significant amount of skilled, contributed time, which does not meet the recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

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

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification.

#### ***Income Tax Status***

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the United States Internal Revenue Code and is determined to be an organization which is not a private foundation and, accordingly, does not provide for federal income taxes. The Organization is also exempt from Massachusetts income tax.

#### ***Use of Estimates and Assumptions***

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization's 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 financials and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

# CENTRO PRESENTE, INC.

## *Notes to Financial Statements*

### *For the Year Ended December 31, 2011*

*(with summarized comparative totals for the year ended December 31, 2010)*

#### **Note 2 - Summary of Significant Accounting Policies (Continued)**

##### ***Summarized Comparative Information***

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

#### **Note 3 - Property and Equipment**

At December 31, 2011 and 2010 property and equipment consisted of the following:

	<u>2011</u>	<u>2010</u>
Furniture and fixtures	\$ 49,997	\$ 46,194
Less accumulated depreciation	<u>(33,321)</u>	<u>(25,496)</u>
Total	<u>\$ 16,676</u>	<u>\$ 20,698</u>

Depreciation expense was \$8,205 and \$7,824 for the years ended December 31, 2011 and 2010, respectively.

#### **Note 4 - Grants and Other Receivables**

Grants and other receivables balances at December 31, 2011 and 2010 are expected to be collected in full within one year; therefore, no allowance for doubtful accounts has been recorded against those balances.

#### **Note 5 - Temporarily Restricted Net Assets**

Temporarily restricted net assets in the amount of \$129,516 represent funds received which are restricted for capital projects.

#### **Note 6 - Leases**

The Organization rents office space as a tenant-at-will. Rent expense was \$54,000 for the years ended December 31, 2011 and 2010.

**CENTRO PRESENTE, INC.**

*Notes to Financial Statements*

*For the Year Ended December 31, 2011*

*(with summarized comparative totals for the year ended December 31, 2010)*

***Note 7 - Advertising Costs***

The Organization expenses advertising costs as incurred. Advertising expense incurred by the Organization for the year ended December 31, 2011 and 2010 were \$8,975 and \$10,727, respectively.

***Note 8 - Reclassifications***

Certain amounts in the 2010 financial statements have been reclassified to conform to the current year presentation.

***Note 9 - Subsequent Events***

Subsequent events have been evaluated through September 10, 2012, which is the date the financial statements were available to be issued.