

**OFICINA PARA LA PROMOCIÓN Y EL DESARROLLO HUMANO, INC.  
(NON-PROFIT ORGANIZATION)**

**INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2019 AND 2018**

**CARLOS AMAURY NIEVES**  
CERTIFIED PUBLIC ACCOUNTANT

**OFICINA PARA LA PROMOCIÓN Y EL DESARROLLO HUMANO, INC.  
(NON-PROFIT ORGANIZATION)**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Oficina Para la Promoción y el Desarrollo Humano, Inc.  
Arecibo, Puerto Rico

### Report on the Financial Statements

I have audited the accompanying statement of financial position of *Oficina Para la Promoción y el Desarrollo Humano, Inc.* as of September 30, 2019 and 2018 and the related statements of activities, and cash flows 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 the 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.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 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 auditor's judgment, including the 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 purposes of expressing 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. I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *Oficina Para la Promoción y el Desarrollo Humano, Inc.* as of September 30, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



License number 4,676  
C.P.A. Stamp number O2779476  
Expire on December 01, 2020  
Bayamón, Puerto Rico  
October 20, 2020



**OFICINA PARA LA PROMOCIÓN Y EL DESARROLLO HUMANO, INC.**  
**STATEMENT OF FINANCIAL POSITION**

<i>September 30,</i>	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 133,079	\$ 150,669
Contracts and grants receivable (See Note 8)	27,504	41,782
Other receivable	8,678	-
Prepaid expenses	10,479	10,479
<b>Total current assets</b>	<b>179,740</b>	<b>202,930</b>
<b>Noncurrent assets</b>		
Property and equipment, net (See Note 4)	55,179	31,510
Other assets	3,650	11,178
<b>Total noncurrent assets</b>	<b>58,829</b>	<b>42,688</b>
<b>Total assets</b>	<b>\$ 238,569</b>	<b>\$ 245,618</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 3,663	\$ 2,292
Credit line	-	-
<b>Total current liabilities</b>	<b>3,663</b>	<b>2,292</b>
<b>Noncurrent liabilities</b>		
Other liabilities	-	-
Notes payable (less current portion)	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>3,663</b>	<b>2,292</b>
<b>Net assets</b>		
Without Donor Restriction	129,807	154,809
Total Without Donor Restriction	129,807	154,809
With Donor Restriction	105,099	88,517
<b>Total net assets</b>	<b>234,906</b>	<b>243,326</b>
<b>Total liabilities and net assets</b>	<b>\$ 238,569</b>	<b>\$ 245,618</b>

*See accompanying summary of accounting policies and notes to the financial statements.*

**OFICINA PARA LA PROMOCIÓN Y EL DESARROLLO HUMANO, INC.**  
**STATEMENT OF ACTIVITIES**

<i>September 30,</i>	<b>2019</b>		
	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Revenue, gains, and other support</b>			
Grants	\$ -	\$ 543,019	\$ 543,019
Contributions	14,900	-	14,900
Interest Income	85	-	85
In-kind contributions	126,430	-	126,430
Other income	-	-	-
Net assets released from restrictions:			
Satisfaction of program restrictions	526,437	(526,437)	-
Satisfaction of time restrictions	-	-	-
<b>Total revenue, gains, and other support</b>	<b>667,852</b>	<b>16,582</b>	<b>684,434</b>
<b>Expenses (See Note 9)</b>			
<b>Program services</b>			
Local Program	526,437	-	526,437
Other expenses	-	-	-
<b>Total program services</b>	<b>526,437</b>	<b>-</b>	<b>526,437</b>
<b>Supporting services</b>			
Management and General	166,417	-	166,417
Fundraising	-	-	-
<b>Total supporting services</b>	<b>166,417</b>	<b>-</b>	<b>166,417</b>
<b>Total expenses</b>	<b>692,854</b>	<b>-</b>	<b>692,854</b>
<b>Changes in net assets</b>	<b>(25,002)</b>	<b>16,582</b>	<b>(8,420)</b>
<b>Prior year adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, beginning of year</b>	<b>154,809</b>	<b>88,517</b>	<b>243,326</b>
<b>Net assets, end of year</b>	<b>\$ 129,807</b>	<b>\$ 105,099</b>	<b>\$ 234,906</b>

*See accompanying summary of accounting policies and notes to the financial statements.*

**OFICINA PARA LA PROMOCIÓN Y EL DESARROLLO HUMANO, INC.**  
**STATEMENT OF ACTIVITIES**

*September 30,*

**2018**

	Without Donor Restriction	With Donor Restriction	Total
<b>Revenue, gains, and other support</b>			
Grants	\$ -	\$ 416,227	\$ 416,227
Contributions	166,514	-	166,514
Interest Income	77	-	77
In-kind contributions	137,605	-	137,605
Other income	16,445	-	16,445
Net assets released from restrictions:			
Satisfaction of program restrictions	333,088	(333,088)	-
Satisfaction of time restrictions	-	-	-
<b>Total revenue, gains, and other support</b>	<b>653,729</b>	<b>83,139</b>	<b>736,868</b>
<b>Expenses (See Note 9)</b>			
<b>Program services</b>			
Local Program	436,763	-	436,763
Other expenses	-	-	-
<b>Total program services</b>	<b>436,763</b>	<b>-</b>	<b>436,763</b>
<b>Supporting services</b>			
Management and General	172,906	-	172,906
Fundraising	1,920	-	1,920
<b>Total supporting services</b>	<b>174,826</b>	<b>-</b>	<b>174,826</b>
<b>Total expenses</b>	<b>611,589</b>	<b>-</b>	<b>611,589</b>
<b>Changes in net assets</b>	42,140	83,139	125,279
<b>Prior year adjustments</b>	(35,691)	-	(35,691)
<b>Net assets, beginning of year</b>	<b>148,360</b>	<b>5,378</b>	<b>153,738</b>
<b>Net assets, end of year</b>	<b>\$ 154,809</b>	<b>\$ 88,517</b>	<b>\$ 243,326</b>

*See accompanying summary of accounting policies and notes to the financial statements.*

**OFICINA PARA LA PROMOCIÓN Y EL DESARROLLO HUMANO, INC.**  
**STATEMENT OF CASH FLOWS**

<i>September 30,</i>	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (8,420)	\$ 85,803
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</b>		
Depreciation and amortization	6,225	3,236
Bad debts	-	-
Net realize and unrealized losses (gains) on investments	-	-
<b>(Increases) decrease in assets</b>		
Contracts and grants receivable	14,278	52,182
Other receivable	(8,678)	-
Prepaid expenses	-	(10,479)
Other assets	7,528	7,979
<b>Increase (decrease) in liabilities</b>		
Accounts payable and accrued expenses	1,371	(13,470)
Other liabilities	-	-
<b>Net cash provided by (used in ) operating activities</b>	<b>12,304</b>	<b>125,251</b>
<b>Cash flows from investing activities</b>		
Deposits	-	-
Purchases of investments	-	-
Proceeds from sale of property and equipment	-	-
Purchase of property and equipment	(29,894)	(22,152)
<b>Net cash provided by (used in) investing activities</b>	<b>(29,894)</b>	<b>(22,152)</b>
<b>Cash flows from financing activities</b>		
Payments on long-term debt	-	-
Proceeds received from long term borrowing	-	-
Payment on long-term borrowing	-	-
Prior year adjustments	-	(30,822)
<b>Net cash provided (used in) financing activities</b>	<b>-</b>	<b>(30,822)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(17,590)</b>	<b>72,277</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>150,669</b>	<b>78,392</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 133,079</b>	<b>\$ 150,669</b>

*See accompanying summary of accounting policies and notes to the financial statements.*

**OFICINA PARA LA PROMOCIÓN Y EL DESARROLLO HUMANO, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**1. ORGANIZATION**

*Oficina Para la Promoción y Desarrollo Humano, Inc.* (the Organization) is a private, not-for-profit corporation, tax-exempt organization under the laws of the Commonwealth of Puerto Rico. The organization exists to provide and develop the human dignity throughout the personal and family strength, help people to their capacity to grow promoting changes in human conduct and attitude by social counseling services, seminars and workshops in six different programs. The organization headquarters are located in Arecibo, Puerto Rico.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting* - The financial statements, prepared in accordance with generally accept accounting principles, are presented on the accrual basis.

*Financial Statement Presentation* – The classification of non-for-profit organization's net assets an its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the Statements of Financial Position and that the amounts of change in each of those classes of net assets be displayed in the Statements of Activities.

In accordance with U.S. generally accepted accounting procpiles (U.S. GAAP), *Oficina Para la Promoción y el Desarrollo Humano, Inc.* reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

*Net assets without donor restriction* – net assets available for general use to support operations. The only limits on the use of net assets without donor restriction are broad limits resulting from the nature of *Oficina Para la Promoción y el Desarrollo Humano, Inc.*, the environment in which it operates, and the propurses specified in its corporate documents.

*Net assets with donor restriction* – net assets to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

*Cash and cash equivalents* - *Oficina Para la Promoción y el Desarrollo Humano, Inc.* considers all highly liquid instruments, which are to be used for current operations and have an original maturity of three months or less, to be cash and cash equivalents. All other highly liquid instruments, which are to be used for long-term purposes of the Organization, are classified as investment. The Organization maintains its cash in banks and deposit accounts/instruments that are federally insured.



*Use of 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Functional Allocations of Expenses* - The costs of providing various program and supporting activities have been summarized on a functional basis in the notes to the financial statements. Accordingly, certain cost have been allocated among the programs and supporting services benefited.

*Commitments and Contingencies* - In the normal course of operations, *Oficina Para la Promoción y el Desarrollo Humano, Inc.* participates in a number of Federal and State assisted grant programs. These programs are subject to audit by the grantors or their representatives. Such audits could lead to request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Presently, the Organization has no such request pending, and in the opinion of management, any such amounts would not be considered material.

### 3. CAPITALIZATION POLICIES

Property and equipment are recorded at cost for purchased assets and fair market value as of the date of donation for donated asset. Depreciation of furniture and equipment is computed using the straight-line method over the useful life of the asset, ranging from 3 to 7 years.

### 4. PROPERTY AND EQUIPMENT

As of September 30, 2019 and 2018, furniture and equipment consisted of the following:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	234,292	204,398
Accumulated depreciation	<u>(179,113)</u>	<u>(172,888)</u>
Net property and equipment	<u>\$ 55,179</u>	<u>\$ 31,510</u>
Depreciation expense for the year	<u>\$ 6,225</u>	<u>\$ 3,236</u>

### 5. INCOME TAX STATUS

*Oficina Para la Promoción y el Desarrollo Humano, Inc.* has been granted exemption by the Internal Revenue Services (IRS) from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and is required to report unrelated business income under applicable states laws and to IRS. The Organization did not have any unrelated business income for the years ended September 30, 2018 and 2017 respectively.

### 6. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject to concentration of credit risk consist principally of cash and cash equivalents. The Organization maintains the majority of its cash balances at FDIC insured institution. The Organization's management does not anticipate a reduction in funding.

## 7. SUBSEQUENT EVENTS

The Organization evaluated subsequent events through October 20, 2020 which is the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and to the date the financial statements were available to be issued, that would require additional adjustment to, or disclosure in, the financial statements

## 8. GRANTS

The following grants were in effect during the year ended September 30, 2019:

### *Temporarily Restricted Support*

Different grantors provided \$ 543,019. during the year to be expended in the program. These funds have been classified as temporarily restricted. In the event that the Organization is dissolved, all remaining grant funds will revert to the grantor. Following is the list of grants:

	Grant	Accounts Receivable
Departamento de Justicia	\$ 111,359	\$ -
ASFA	52,890	-
ASSMCA	77,981	17,309
CREALOS	100	-
Obispado de Arecibo	20,021	-
Programa Comunidad y Empresa	39,853	-
ASPRI Acción Social	30,564	6,021
DFC	134,805	-
META	10,966	-
Violencia	2,044	-
RURAL	27,000	4,174
United Ways	35,436	-
Total	<u>\$ 543,019</u>	<u>\$ 27,504</u>

## 9. FUNCTIONAL EXPENSES

Expenses incurred during the year ended September 30, 2019 were:

	PROGRAM		SUPPORT	
	TOTAL	LOCAL PROGRAM	MANAGEMENT & GENERAL	FUNDRAISING
Salaries	\$ 299,812	\$ 221,861	\$ 77,951	\$ -
Payroll taxes	31,913	27,126	4,787	-
Food	6,537	6,537	-	-
Utilities	19,180	8,439	10,741	-
Telephone	1,005	502	503	-
Repair and maintenance	4,381	-	4,381	-
Activities	14,717	12,362	2,355	-
Workmen compensation	8,245	8,245	-	-
Insurance	3,900	281	3,619	-
Professional fees	96,941	87,247	9,694	-
Donations	9,250	9,250	-	-
Printing and copying	5,126	4,857	269	-
Interests and bank charges	753	-	753	-
In kind	126,430	114,810	11,620	-
Office related and supplies	28,740	10,589	18,151	-
Vehicle expense	9,124	-	9,124	-
Postage	50	-	50	-
Advertising	11,115	11,115	-	-
Depreciation	6,225	-	6,225	-
Security	500	-	500	-
Permits & Licenses	2,352	-	2,352	-
Other	6,558	3,216	3,342	-
<b>TOTAL EXPENSES</b>	<b>\$ 692,854</b>	<b>\$ 526,437</b>	<b>\$ 166,417</b>	<b>\$ -</b>