

ASESORES FINANCIEROS COMUNITARIOS, INC.

Audited Financial Statements

December 31, 2013 and 2012

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
<u>Audited Financial Statements:</u>	
Statement of Financial Position	3
Statement of Activities and Change in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6
<u>Independent Auditor's Peer Review Report:</u>	
Letter to User.....	11
Peer Review Report.....	12



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
ASESORES FINANCIEROS COMUNITARIOS, INC.
San Juan, Puerto Rico

We have audited the accompanying financial statements of **ASESORES FINANCIEROS COMUNITARIOS, INC.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and December 31, 2012, and the related statement 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 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:

Our responsibility is to express an opinion on these financial statements based on our audit. 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 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 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 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.

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 **ASESORES FINANCIEROS COMUNITARIOS, INC.** as of December 31, 2013 and December 31, 2012, 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.

San Juan, Puerto Rico
March 25, 2014

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AJ Hernandez & Co., PSC



ASESORES FINANCIEROS COMUNITARIOS, INC.

Statements of Financial Position

ASSETS

	December 31,	
	2013	2012
Current Assets:		
Cash and Cash Equivalents	\$ 192,287	\$ 57,117
Accounts Receivable, Net	150	8,430
Total Assets	<u>\$ 192,437</u>	<u>\$ 65,547</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable - Trade	\$ 33	\$ 769
Accrued Expenses	3,118	2,882
Total Liabilities	<u>3,151</u>	<u>3,651</u>
Net Assets:		
Temporarily Restricted	108,870	1,427
Unrestricted	80,416	60,469
Total Net Assets	<u>189,286</u>	<u>61,896</u>
Total Liabilities and Net Assets	<u>\$ 192,437</u>	<u>\$ 65,547</u>

The Accompanying Notes to Financial Statements are an integral part of these Statements.

ASESORES FINANCIEROS COMUNITARIOS, INC.

Statement of Activities and Changes in Net Assets

For the Years Ended December 31, 2013 and December 31, 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>SUPPORT AND REVENUES</u>						
Grants	\$ -	\$ 56,062	\$ 56,062	\$ 2,167	\$ 60,250	\$ 62,417
Donations	31,650	125,132	156,782	3,725		3,725
Workshop Revenues	71,785	-	71,785	32,423		32,423
Fund Raising Activities	18,513	-	18,513	15,600		15,600
Other (conference revenues, hired consulting, interest income)	1,986		1,986	25,379		25,379
In Kind Services	68,419	-	68,419	31,537		31,537
In Kind Facilities	14,400	-	14,400	8,200		8,200
In Kind Equipment and Others	12,964	-	12,964	801		801
	219,717	181,194	400,911	119,832	60,250	180,082
Net Assets Released from Restrictions	73,751	(73,751)	-	60,250	(60,250)	-
Total Revenues and In Kind	293,468	107,443	400,911	180,082	-	180,082

OPERATING AND ADMINISTRATIVE EXPENSES-

Educational Program:

Direct Program Expenses	\$ 22,163	\$ -	\$ 22,163	\$ 30,301	\$ -	\$ 30,301
Allocated Program Expenses	30,120	-	30,120	4,550	-	4,550
In Kind Program Expenses	58,034	-	58,034	24,323	-	24,323
Total Educational Program Expenses	110,317	-	110,317	59,174	-	59,174

Consulting Program:

Direct Program Expenses	1,335	-	1,335	3,405	-	3,405
Allocated Program Expenses	23,422	-	23,422	22,317	-	22,317
In Kind Program Expenses	10,379	-	10,379	3,308	-	3,308
Total Consulting Program Expenses	35,136	-	35,136	29,030	-	29,030
General and Administrative	93,322	-	93,322	66,209	-	66,209
Fund Raising	7,375	-	7,375	5,710	-	5,710
General In Kind	27,371	-	27,371	12,907	-	12,907
Total Expenses	273,521	-	273,521	173,030	-	173,030

Change in Net Assets

Net Assets - Beginning of Year	19,947	107,443	127,390	7,052	-	7,052
	60,469	1,427	61,896	53,417	1,427	54,844
Net Assets - End of Year	\$ 80,416	\$ 108,870	\$ 189,286	\$ 60,469	\$ 1,427	\$ 61,896

The Accompanying Notes to Financial Statements are an integral part of these Statements.

ASESORES FINANCIEROS COMUNITARIOS, INC.

Statement of Cash Flows

	For the Years Ended December 31,	
	2013	2012
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Changes in Net Assets	\$ 127,390	\$ 7,052
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable	8,280	28,230
(Decrease) in Accounts Payable	(736)	(1,231)
Increase in Accrued Expenses	236	58
Net Cash Provided by Operating Activities	\$ 135,170	\$ 34,109
Net Increase in Cash and Cash Equivalents	135,170	34,109
Cash and Cash Equivalents at Beginning of Year	57,117	23,008
Cash and Cash Equivalents at End of Year	\$ 192,287	\$ 57,117

The Accompanying Notes to Financial Statements are an integral part of these Statements.

ASESORES FINANCIEROS COMUNITARIOS, INC.

Notes to Financial Statements

December 31, 2013 and 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying financial statements include the accounts and transactions of **Aseores Financieros Comunitarios, Inc.**, (a non-profit organization) (the Organization). The Organization is organized under the laws of the Commonwealth of Puerto Rico in August 10, 2007 and began operations in December 2007, its purpose is to empower non-profit and community based organizations to improve their fiscal administration and assure their financial viability in the long run. Also, the Organization provides training services to non-profit organization personnel in the areas of organizational structure, accounting and general administration.

Basis of Presentation

The financial statements presentation follows the recommendations of the Financial Accounting Standard Board in its ASC No. 958 "*Not-for-Profit Entities*" (previously known as Statement of Financial Accounting Standards (SFAS) No. 117, "*Financial Statements of Not-for-Profit Organizations*"), and the AICPA Audit and Accounting Guide. Under ASC No. 958, 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 represent contributions and grants which have no donor-imposed restrictions or which arise as a result of operations.

Temporarily restricted net assets represent contributions and grants which have donor-imposed limitations on their use for a specified time period or purpose.

Permanently restricted net assets represent contributions and grants that have been restricted by donors to be maintained by the Organization in perpetuity.

Use of Estimates

The preparation of financial statements are in conformity with accounting principles generally accepted in the United States of America, which 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 considers as cash equivalents all highly liquid investments with maturity of ninety three (3) months or less when purchased.

ASESORES FINANCIEROS COMUNITARIOS, INC.

Notes to Financial Statements

December 31, 2013 and 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

New Pronouncements

During year 2009, the Company adopted the "Accounting Standards Codification" (Codification or ASC) issued by the Financial Accounting Standards Board (FASB), and the Hierarchy of the U.S. Generally Accepted Accounting Principles (GAAP) which only affected the specific references to GAAP literature in the notes to the Company's financial statements. The Codification became the source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also source of authoritative GAAP for SEC registrants. On the effective date, the ASC superseded all then-existing non-SEC accounting and reporting standards. This Codification is effective for financial statements issued for interim and annual periods ending after September 15, 2009.

Contributions

The Organization also elected to adopt FASB ASC Topic 958, "Non-for-Profit Entities", (previously known as SFAS No. 116, "Accounting for Contributions Received and Contributions Made). In accordance with FASB ASC Topic 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Income Taxes

The Organization is exempt from Federal income taxes under section 501(c) (3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Also, the Organization is exempt from the payment of income tax, municipal and property taxes, under Section 1101(12) of the Puerto Rico Income Tax Code, section 9(7) of the Municipal License Tax Act, and section 5.01(e) of the Municipal Property Tax Act, respectively.

ASESORES FINANCIEROS COMUNITARIOS, INC.

Notes to Financial Statements

December 31, 2013 and 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Vacations and Sick Leave

Compensated absences consist of unpaid accumulated annual sick leave and vacation:

Employees are entitled to 15 days of vacation and 12 days of sick leave annually. Sick leave is not accrued because it does not vest; employees are not paid for any sick leave balance at termination of employment or any other time. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In order to not affect services to the participants, vacations are provided during the summer (July) and at the end of December, during the holidays.

Donations in Kind

Donated services and other contributions have been reflected in the accompanying financial statements. These services have been recorded at their fair value, and are recognized as support and expensed in the period in which the services are rendered.

Donated Goods and Services

The Organization reports the fair value of gifts of donated food and grocery products over which it has control as unrestricted public support and, shortly thereafter, as expense when granted to food members.

2. ACCOUNTS RECEIVABLE

At December 31, 2013 and 2012, the accounts receivable consisted of the following:

	<u>2013</u>	<u>2012</u>
Fundación Angel Ramos	\$ -	\$ 8,430
Centro Aprendizaje Individual	100	-
Ponce Neighborhood	50	-
Accounts Receivable, Net	<u>\$ 150</u>	<u>\$ 8,430</u>

ASESORES FINANCIEROS COMUNITARIOS, INC.

Notes to Financial Statements

December 31, 2013 and 2012

3. CONTRIBUTION AND GRANTS

Contributions and grants from other organizations consist of the following:

	2013	2012
United Funds	\$ 37,562	\$ 37,417
Donativo Legislativos	20,000	-
Fundación BPPR	20,000	25,000
Fundación Segarra	45,000	-
Fundación Flamboyán	15,000	-
The TJX Companies, Inc	5,000	-
Caso Almeyda	65,132	-
Walmart	2,000	-
PR Society of CPA	2,000	200
Individual Donations	1,150	3,525
Total	<u>\$ 212,844</u>	<u>\$ 66,142</u>

During the year 2013, the Court of First Instance of San Juan Puerto Rico, issued a judgment in the case of Reynaldo Almeyda vs. Banco Popular de Puerto Rico where the Organization was one of the beneficiaries that received the amount of \$65,132 from this case. The amount received was non-recurring and must be disbursed in two (2) years. This fund is intended to cover expenditures on improvements to our existing programs.

4. IN-KIND CONTRIBUTIONS

The Organization receives various in-kind contributions primarily related to the operation of the program which is recorded at estimated fair value. In addition, donated services are recognized as contributions and expensed in accordance with Generally Accepted Accounting Principles (GAAP):

	2013	2012
Workshop Facilitators, Materials and Others	65,123	14,096
Equipment	3,432	1,026
Rent	6,000	6,000
Advertising	6,746	4,780
Accounting and Auditing	4,105	1,350
Legal Services	-	285
Volunteer's Services	10,379	13,001
Total	<u>\$ 95,785</u>	<u>\$ 40,538</u>

ASESORES FINANCIEROS COMUNITARIOS, INC.

Notes to Financial Statements

December 31, 2013 and 2012

5. COLLABORATIVE LEASE ARRANGEMENT

As part of the agreement between the Organization and Fondos Unidos of Puerto Rico, during the year 2013 until October 31, 2013, the Organization received as an in-kind service support by Fondos Unidos of Puerto Rico:

- Daily operational aspects (electricity, water, parking, security, etc.)
- Access to Administrative offices and space for operation.

On November 1, 2013, the Organization moved their offices to a new facilities provided by Fundación Angel Ramos. From November 1, 2013 and for the next three (3) year, as part of the agreement between the Organization and the Angel Ramos Foundation, the Organization will receive an annual grant of \$16,227 and a contribution by contracted services of \$14,000 annually by the Foundation. As part of the agreement, the Organization is committed to make quarterly payments to FARPI in the amount of \$6,377 to cover rent, parking, security and maintenance and monthly payment for utilities.

6. SUBSEQUENT EVENTS

In preparing these financial statements, we evaluated events and transactions for potential recognition or disclosures through March 25, 2014, the date the financial statements were available to be issued.



AJ Hernández & Co., CPA, PSC.
Certified Public Accountants & Business Consultants

P.O. Box 191529, San Juan, Puerto Rico 00919-1529

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March 25, 2014

To the Board of Directors
Asesores Financieros Comunitarios, Inc.
San Juan, Puerto Rico

The stockholders and staff of AJ Hernandez & Co., CPA, PSC are pleased to announce the successful completion of an independent peer review of our accounting and auditing practice. This review was undertaken as a condition of membership in the American Institute of Certified Public Accountants (AICPA), the national organization of CPAs in public practice, industry, government and education.

In 1988, the members of the AICPA overwhelmingly approved a proposal to require members in public practice to participate in a practice-monitoring program. With the adoption of this proposal, the AICPA implemented a peer review program of unprecedented scope in the CPA profession or any other. Our participation in peer review demonstrates our firm's desire to measure up to the profession's high standards of professionalism and our commitment to maintaining and improving the quality of our practice.

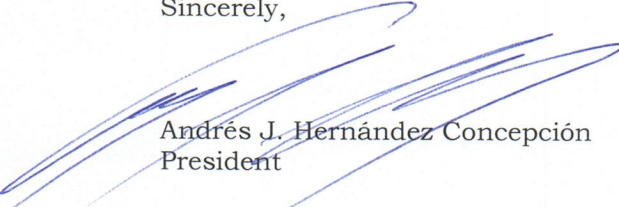
In August 2000, the Puerto Rico Society of CPAs (PRSCPA) adopted a voluntary peer review program, which follows the lead established by the AICPA.

Our peer review was conducted by a team appointed by the PRSCPA. The reviewer first determined that we have an adequate quality control system, and then checked to see that professional's standards were followed in a representative sample of our accounting and auditing engagements.

After thorough study of our policies and procedures, the reviewer concluded our firm complies with the stringent quality control standards established by the AICPA and the PRSCPA. Our firm is committed to periodic peer review to foster quality performance.

Bankers, bonding agents, investors, suppliers, legal advisors and others use the financial statements our firm audits, reviews, or compiles. We think those people, our clients, and our own staff deserves independent quality assurance that our firm provides quality services. We are proud of our peer review results and would be happy to answer any questions you might have.

Sincerely,


Andrés J. Hernández Concepción
President



MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC
ACCOUNTANTS (AICPA)
PUERTO RICO BOARD OF CERTIFIED PUBLIC
ACCOUNTANTS

CPA AGUSTÍN RODRÍGUEZ NIEVES

CERTIFIED PUBLIC ACCOUNTANT

SYSTEM REVIEW REPORT

AJ Hernandez & Co., CPA, PSC
and the Peer Review Committee of
the Certified Public Accountants
College of Puerto Rico

I have reviewed the system of quality control for the accounting and auditing practice of AJ Hernandez & Co., CPA, PSC (the firm) in effect for the year ended December 31, 2011. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of my review, I considered reviews by regulatory entities, if applicable, in determining the nature and extent of my procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objective, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

In my opinion, the system of quality control for the accounting and auditing practice of AJ Hernandez & Co., CPA, PSC in effect for the year ended December 31, 2011, has been suitable designed and complied with to provide the firm with reasonable assurance of performing and reporting in conforming with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency (ies), or fail. AJ Hernandez & Co., CPA, PSC has received a peer review rating of pass.

January 15, 2014
Toa Alta, Puerto Rico

The stamp 02691623 was affixed
to the original of this report.



Asst R1-
CPA Agustín Rodríguez Nieves