

Project Access of New Haven, Inc.

**Financial Statements and
Independent Auditor's Report**

December 31, 2012 and 2011

Project Access of New Haven, Inc.

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Independent Auditor's Report

To the Board of Directors
Project Access of New Haven, Inc.

We have audited the accompanying financial statements of Project Access of New Haven, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses 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 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, whether due to fraud or error.

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 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.

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 Project Access of New Haven, Inc. as of December 31, 2012 and 2011, 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.



Glastonbury, Connecticut
October 8, 2013

Project Access of New Haven, Inc.

**Statements of Financial Position
December 31, 2012 and 2011**

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 209,962	\$ 146,103
Accounts receivable	-	80,000
Total assets	<u>\$ 209,962</u>	<u>\$ 226,103</u>
 <u>Liabilities and Net Assets</u> 		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 6,776</u>	<u>\$ 39,630</u>
Net assets:		
Unrestricted	203,186	106,473
Temporarily restricted	-	80,000
Total net assets	<u>203,186</u>	<u>186,473</u>
Total liabilities and net assets	<u>\$ 209,962</u>	<u>\$ 226,103</u>

See Notes to Financial Statements.

Project Access of New Haven, Inc.
Statements of Activities
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue:		
State grant revenue	\$ 50,000	\$ -
Other grant revenue	335,523	126,420
Contributions	59,343	67,918
Net assets released from restrictions - satisfaction of time restriction	<u>80,000</u>	<u>-</u>
Total revenue	<u>524,866</u>	<u>194,338</u>
Functional expense:		
Program expenses	352,502	246,144
Administrative expenses	68,488	47,566
Fundraising expenses	<u>7,341</u>	<u>5,008</u>
Total expenses	<u>428,331</u>	<u>298,718</u>
Increase (decrease) in net assets before other income	<u>96,535</u>	<u>(104,380)</u>
Other income:		
Interest income	<u>178</u>	<u>-</u>
Total other income	<u>178</u>	<u>-</u>
Increase (decrease) in unrestricted net assets	<u>96,713</u>	<u>(104,380)</u>
Changes in temporarily restricted net assets		
Grant revenue	-	80,000
Net assets released from restrictions - satisfaction of time restriction	<u>(80,000)</u>	<u>-</u>
(Decrease) increase in temporarily restricted net assets	<u>(80,000)</u>	<u>80,000</u>
Change in net assets	16,713	(24,380)
Net assets, beginning of year	<u>186,473</u>	<u>210,853</u>
Net assets, end of year	<u>\$ 203,186</u>	<u>\$ 186,473</u>

See Notes to Financial Statements.

Project Access of New Haven, Inc.

**Statements of Functional Expenses
Years Ended December 31, 2012 and 2011**

	2012				2011			
	Program Expenses	Administrative Expenses	Fundraising Expenses	Total Expenses	Program Expenses	Administrative Expenses	Fundraising Expenses	Total Expenses
Salary and wages	\$ 256,260	\$ 54,279	\$ 6,031	\$ 316,570	\$ 167,230	\$ 35,420	\$ 3,936	\$ 206,586
Contractual services	40,600	2,425	-	43,025	33,108	1,977	-	35,085
Occupancy	31,084	6,584	732	38,400	31,085	6,584	732	38,401
Supplies	10,071	2,133	237	12,441	3,882	822	91	4,795
Telephone	5,440	1,152	128	6,720	2,559	542	60	3,161
Business registration fees	-	-	-	-	-	467	-	467
Fundraising fees	-	-	30	30	-	-	38	38
Conferences and meetings	3,926	832	92	4,850	1,231	261	29	1,521
Travel	525	110	12	647	303	64	7	374
Postage	341	72	8	421	154	33	4	191
Printing and copying	449	95	11	555	956	203	23	1,182
Dues and subscriptions	782	166	12	960	102	22	2	126
Staff development	134	28	2	164	3,665	775	57	4,497
Other	2,890	612	46	3,548	1,869	396	29	2,294
	<u>\$ 352,502</u>	<u>\$ 68,488</u>	<u>\$ 7,341</u>	<u>\$ 428,331</u>	<u>\$ 246,144</u>	<u>\$ 47,566</u>	<u>\$ 5,008</u>	<u>\$ 298,718</u>

See Notes to Financial Statements.

Project Access of New Haven, Inc.

**Statements of Cash Flows
Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Operating activities:		
Change in net assets	\$ 16,713	\$ (24,380)
Changes in operating assets and liabilities:		
Accounts receivable	80,000	(80,000)
Accounts payable and accrued expenses	<u>(32,854)</u>	<u>10,291</u>
Net cash provided by (used in) operating activities	<u>63,859</u>	<u>(94,089)</u>
Net increase (decrease) in cash and cash equivalents	63,859	(94,089)
Cash and cash equivalents, beginning of year	<u>146,103</u>	<u>240,192</u>
Cash and cash equivalents, end of year	<u><u>\$ 209,962</u></u>	<u><u>\$ 146,103</u></u>

See Notes to Financial Statements.

Project Access of New Haven, Inc.

Notes to Financial Statements

Note 1 - Organization and summary of significant accounting policies:

Nature of activities:

Project Access of New Haven, Inc. (the "Organization") is a non-profit agency incorporated in 2008 to provide donated specialty health care services through partnerships with local physicians, hospitals, and community organization to low-income, uninsured individuals in the Greater New Haven Area.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are described as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations or to those imposed by operation of law. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Temporarily Restricted - Net assets whose use by the Organization is subject to either explicit donor-imposed stipulations or to those imposed by operation of law, which can be fulfilled by actions of the Organization pursuant to those stipulations or which expire by the passage of time. As of December 31, 2012, there were no temporarily restricted net assets.

Permanently Restricted - Net assets subject to explicit donor-imposed stipulations, or to those imposed by operation of law, that they be maintained permanently by the Organization and stipulate the use of income and/or appreciation as either unrestricted or temporarily restricted based on donor-imposed stipulations or to those imposed by operation of law. As of December 31, 2012 and 2011, there were no permanently restricted net assets.

Revenue recognition:

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 statements of activities as net assets released from restrictions.

Project Access of New Haven, Inc.

Notes to Financial Statements

Grants and contracts:

Grants are recognized when eligible costs are incurred. Receivables are recognized to the extent costs have been incurred, but not reimbursed. Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to grantors. As of the date of the financial statements, the Organization has not been informed by any funding organization that any funds are required to be returned.

Contributed services:

The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with various endeavors. No amounts have been recorded in the financial statements for these donated volunteer services for the years ended December 31, 2012 and 2011 as they do not meet the criteria for recognition.

Cash and cash equivalents:

Cash and cash equivalents include all cash balances and highly liquid short-term instruments with an original maturity of three months or less when acquired. The Organization had no cash equivalents at December 31, 2011. At December 31, 2012, cash equivalents were \$209,962.

Accounts receivable:

Accounts receivable principally represents funds due from various foundations for grants. The Organization regularly monitors accounts receivable arising from regular operations to determine if an allowance for doubtful accounts is deemed necessary. Management considers past history, current economic conditions and the overall viability of the obligor. Receivables are written off only when management believes amounts will not be collected. Management does not believe an allowance account is necessary and as such has not recorded one for the years ended December 31, 2012 and 2011.

Income taxes:

The Organization is organized as a nonstock, non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, as such, is not subject to Federal or state income taxes.

The Organization's Federal information returns prior to calendar year 2009 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Organization had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

Project Access of New Haven, Inc.

Notes to Financial Statements

Functional expenses:

The costs of providing various 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.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events:

The Organization has evaluated events and transactions for potential recognition or disclosure through October 8, 2013, which is the date the financial statements were available to be issued.

Note 2 – Community partner:

Yale New Haven Hospital (the “Hospital”) is one of several Community Partners of the Organization. The staff of the Organization are employed by the Hospital and leased to the Organization through a signed leased agreement between the Hospital and the Organization, which expires in July 2013 and is automatically renewed for two consecutive years unless canceled by either party with 90 days written notice.

The Organization received the following payroll and other grant funding from the Hospital as of December 31, 2012 and 2011:

	2012	2011
Hospital grant	\$ 155,361	\$ 28,919
Ecumenical free bed funds	80,160	7,207
	<u>\$ 235,521</u>	<u>\$ 36,126</u>

These amounts are included in other grant revenue in the accompanying statements of activities.

The Organization also receives donated office space from the Hospital, which is recorded at fair value at date of donation, and has been included in revenue and expenses in the period received. The Organization has recognized corresponding revenue and expenses relating to donated space in the amount of \$38,400 for the years ended December 31, 2012 and 2011.

Project Access of New Haven, Inc.

Notes to Financial Statements

Note 3 - Concentrations:

Credit risk:

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents and receivables. The Organization maintains its cash and cash equivalents with high-credit financial institutions. As of December 31, 2012 and 2011, the Organization had no cash balances in excess of Federally insured limits. Concentrations of credit risk with respect to receivables are limited due to generally short payment terms. In addition, the Organization closely monitors these balances and evaluates them for potential loss.