

JUNTA FOR PROGRESSIVE ACTION, INCORPORATED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

Junta For Progressive Action, Incorporated
Year Ended December 31, 2010
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Junta for Progressive Action, Incorporated
New Haven, Connecticut

I have audited the accompanying statement of financial position of Junta for Progressive Action, Incorporated (a nonprofit organization) as of December 31, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 Junta for Progressive Action, Incorporated as of December 31, 2010 and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Milford, Connecticut
November 8, 2011

Junta For Progressive Action, Incorporated
Statement of Financial Position
December 31, 2010

Assets

Current Assets:

Cash and Cash Equivalents	\$ 59,232
Grants Receivable, less Allowance for Doubtful Accounts of -0-	348,408
Other Receivable, less Allowance for Doubtful Accounts of -0-	2,524
Prepaid Expense	<u>4,345</u>

Total Current Assets	<u>\$414,509</u>
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Property and Equipment:

Land	71,410
Building	26,590
Building Improvements	193,441
Equipment	498
Office Equipment	<u>19,902</u>
	311,841
Less: Accumulated Depreciation	<u>54,804</u>

Net Property and Equipment	<u>257,037</u>
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Total Assets	<u>\$671,546</u>
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Liabilities and Net Assets

Liabilities

Current Liabilities:

Accounts Payable	<u>\$3,053</u>
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Total Current Liabilities	<u>\$3,053</u>
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Total Liabilities	3,053
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Net Assets

Unrestricted Net Assets	425,355
Temporarily Restricted Net Assets	<u>243,138</u>

Total Net Assets	<u>668,493</u>
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Total Liabilities and Net Assets	<u>\$671,546</u>
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-See Auditor's Report and Notes to the Financial Statements-

Junta For Progressive Action, Incorporated
Statement of Activities
Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenue:			
Contributions	\$42,027	\$51,870	\$93,897
Grants		467,461	467,461
Fundraising and Other	30,833		30,833
Interest Income	53		53
Net Assets Released from Restrictions	<u>508,041</u>	<u>(508,041)</u>	<u>-</u>
Total Public Support and Revenue	<u>580,954</u>	<u>11,290</u>	<u>592,244</u>
Expenditures:			
Program Services	448,776		448,776
Management and General	58,437		58,437
Fundraising	<u>69,599</u>	<u>-</u>	<u>69,599</u>
Total Expenditures	<u>576,812</u>	<u>-</u>	<u>576,812</u>
Increase in Net Assets	4,142	11,290	15,432
Net Assets, January 1, 2010	<u>421,213</u>	<u>231,848</u>	<u>653,061</u>
Net Assets, December 31, 2010	<u>\$425,355</u>	<u>\$243,138</u>	<u>\$668,493</u>

-See Auditor's Report and Notes to the Financial Statements-

Junta For Progressive Action, Incorporated
Statement of Functional Expenses
Year Ended December 31, 2010

	<u>Program</u>	<u>Management</u>		
	<u>Services</u>	<u>and General</u>	<u>Fundraising</u>	<u>Totals</u>
Wages	\$241,279	\$29,364	\$50,808	\$321,451
Program Supplies and Expense	84,981			84,981
Employee Benefits	19,510	2,375	4,109	25,994
Payroll Taxes	21,334	2,596	4,492	28,422
Advertising	315			315
Bank Service Charges	10			10
Computer Expense	5,321	1,774		7,095
Depreciation	6,184	2,061		8,245
Dues	2,437	812		3,249
Fundraising Supplies			9,298	9,298
Insurance	6,693	1,339	892	8,924
Loss on Sale of Fixed Assets		48		48
Office Supplies	2,833	944		3,777
Equipment Rental	2,132	711		2,843
Postage	1,050	350		1,400
Printing	2,770			2,770
Professional Development	3,739			3,739
Professional Fees	19,268	6,423		25,691
Repairs and Maintenance	12,192	4,064		16,256
Telephone	2,752	918		3,670
Travel and Entertainment	7,255	2,418		9,673
Utilities	<u>6,721</u>	<u>2,240</u>	-	<u>8,961</u>
Totals	<u>\$448,776</u>	<u>\$58,437</u>	<u>\$69,599</u>	<u>\$576,812</u>

Junta For Progressive Action, Incorporated
Statement of Cash Flows
Year Ended December 31, 2010

Cash Flows from Operating Activities:

Change in Net Assets	\$15,432
Adjustment to Reconcile Change in Net Assets	
Net Cash Provided By/(Used In)	
Operating Activities:	
Depreciation Expense	8,245
Loss on Sale of Fixed Assets	48
(Increase) Decrease in Grants Receivable	(101,985)
(Increase) Decrease in Other Receivable	(2,524)
(Increase) Decrease in Prepaid Expense	391
Increase (Decrease) in Accounts Payable	<u>(2,715)</u>
Net Cash Provided By/ (Used in)	
Operating Activities	(\$83,108)

Cash Flows from Investing Activities:

Purchase of Office Equipment	<u>(4,518)</u>
Net Cash Provided By/ (Used in)	
Investing Activities	<u>(4,518)</u>
Net Decrease in Cash and Cash Equivalents	(87,626)
Cash and Cash Equivalents, January 1, 2010	<u>146,858</u>
Cash and Cash Equivalents, December 31, 2010	<u>\$59,232</u>

Junta For Progressive Action, Incorporated
Notes to the Financial Statements
December 31, 2010

Note 1 – Summary of Significant Accounting Policies

Organization

Junta for Progressive Action, Incorporated (the Organization) provides services, programs and advocacy that improve the social, political and economic conditions of the Latino Community in Greater New Haven. The programs offered are education, employment, financial literacy, family management, legal services, at-risk youth program and summer camp. Major funding is provided by the State of Connecticut, Department of Social Services, the City of New Haven and other public support.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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.

Property and Equipment

Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation and depreciation is computed using the straight-line method.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Junta For Progressive Action, Incorporated
Notes to the Financial Statements
December 31, 2010

Note 1 – Summary of Significant Accounting Policies

Organization

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Junta For Progressive Action, Incorporated
Notes to the Financial Statements
December 31, 2010

Advertising

Advertising costs are expensed as incurred. The total advertising expense for the year ended December 31, 2010 was \$315.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Income Taxes

The Organization is a non-stock, non-profit corporation organized in Connecticut. It is exempt from federal and state income taxes under Internal Revenue Service Code Section 501(c)(3) and therefore has no liability for federal or state income taxes.

Note 2 – Statement of Net Assets

Cash and Cash Equivalents: This account group includes all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments

As of December 31, 2010 the cash and cash equivalents balance is \$59,232.

Junta For Progressive Action, Incorporated
Notes to the Financial Statements
December 31, 2010

Note 2 – Statement of Net Assets (Continued)

Capital Assets: This account group consists of land, building, building improvements, equipment and office equipment. All assets are recorded at cost. Depreciation is provided on fixed assets ranging from five to thirty nine year useful lives. The Organization maintains a capitalization threshold of \$500. A summary of changes in the capital assets accounts for the year ended December 31, 2010 is as follows:

	<u>Balance,</u> <u>January 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance,</u> <u>December 31, 2010</u>
Land	\$71,410	-	-	\$71,410
Building	26,590	-	-	26,590
Building Improvements	193,441	-	-	193,441
Equipment	498	-	-	498
Office Equipment	<u>18,566</u>	<u>\$4,518</u>	<u>\$3,182</u>	<u>19,902</u>
Totals	<u>\$310,505</u>	<u>\$4,518</u>	<u>\$3,182</u>	<u>\$311,841</u>
Less: Accumulated Depreciation for				
Building	\$ 10,496	\$ 682	-	\$ 11,178
Building Improvements	24,129	4,961	-	29,090
Equipment	464	23	-	487
Office Equipment	<u>14,604</u>	<u>2,579</u>	<u>\$3,134</u>	<u>14,049</u>
Totals	<u>\$49,693</u>	<u>\$8,245</u>	<u>\$3,134</u>	<u>\$54,804</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$260,812</u>			<u>\$257,037</u>

Depreciation expense for the year ended December 31, 2010 was \$8,245.

Junta For Progressive Action, Incorporated
Notes to the Financial Statements
December 31, 2010

Note 3 – Commitments

Operating Leases:

In 2010 the Organization entered into an operating lease for office equipment with monthly payments of \$198 through December, 2011. The total expended on this lease for the year ended December 31, 2010 was \$2,843.

The total future minimum lease payments under this agreement are as follows:

<u>Year Ending</u>	<u>Amount</u>
December 31, 2011	<u>\$2,371</u>
Total	<u>\$2,371</u>

Note 4 – Risk Management

The Organization is exposed to various risks of loss related to damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. During the year ended December 31, 2010, the Organization contracted with the Connecticut Underwriters, Incorporated Insurance Company for liability, property, and crime damage and United States Liability Insurance Company for Directors and Officers liability. Coverages provided by these companies are as follows:

Commercial General Liability	\$1,000,000
Directors and Officers Liability	\$1,000,000

Workers' compensation coverage is maintained by paying premiums to Granite State Insurance Company. The premium is calculated based upon accident history and actual payroll costs by job classification.

Note 5 – Donated Services

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

Junta For Progressive Action, Incorporated
Notes to the Financial Statements
December 31, 2010

Note 6 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Specific Grant Programs	\$243,138
Total Temporarily Restricted Net Assets	<u>\$243,138</u>

Net Assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Community Foundation of Greater New Haven	\$34,750
21 st Century ILGWU	18,513
United Way	11,415
Yale University: The Neighborhood Place	83,713
Connecticut Department of Social Services	307,140
Campaign for Community Change	23,100
Others	<u>29,410</u>
Total	<u>\$508,041</u>

Note 7 – Grants

In 2010 the Organization was awarded grants amounting to \$246,135 from the State of Connecticut, Department of Social Services and a grant of \$90,441 from Yale University.

These grants comprise fifty seven percent of total public support and revenue and represent a significant portion of the Organization's current funding.

Note 8 – Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and management and general services benefited.

Note 9 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through November 15, 2011, which is the date the financial statements were available to be issued.