JUNTA FOR PROGRESSIVE ACTION, INC.
(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Junta for Progressive Action, Inc.
New Haven, Connecticut

I have audited the accompanying statement of financial position of Junta for Progressive Action, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities and changes in net assets, 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 our 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 accordance with Government Auditing Standards, I have also issued my report dated August 18, 2012 on my consideration of Junta for Progressive Action, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junta for Progressive Action, 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.

Kenneth Mass & Company
Certified Public Accountant
Woodbridge, CT
August 18, 2012
JUNTA FOR PROGRESSIVE ACTION, INC.
(A NON-PROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

<table>
<thead>
<tr>
<th>Current Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$161,614</td>
</tr>
<tr>
<td>Grants Receivable – No allowance deemed necessary</td>
<td>241,546</td>
</tr>
<tr>
<td>Other Receivable – No allowance deemed necessary</td>
<td>2,524</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>4,196</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$409,880</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property and Equipment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>71,410</td>
</tr>
<tr>
<td>Buildings</td>
<td>26,590</td>
</tr>
<tr>
<td>Equipment</td>
<td>498</td>
</tr>
<tr>
<td>Furniture, Fixtures &amp; Office Equipment</td>
<td>19,903</td>
</tr>
<tr>
<td>Improvements</td>
<td>193,441</td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td><strong>311,842</strong></td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(63,297)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Property and Equipment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Property and Equipment</strong></td>
<td><strong>248,545</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$658,425</strong></td>
</tr>
</tbody>
</table>

LIABILITIES & NET ASSETS

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$295</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>4,275</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>171,392</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>$175,962</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>423,058</td>
</tr>
<tr>
<td>Temporarily Restricted Net Assets</td>
<td>59,405</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>482,463</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES &amp; NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES &amp; NET ASSETS</strong></td>
<td><strong>$658,425</strong></td>
</tr>
</tbody>
</table>

See the accompanying notes and auditor's report.
JUNTA FOR PROGRESSIVE ACTION, INC.  
(A NON-PROFIT ORGANIZATION)  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
DECEMBER 31, 2011

<table>
<thead>
<tr>
<th>Support and Revenue:</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$65,224</td>
<td>$77,336</td>
<td>$142,560</td>
</tr>
<tr>
<td>Grants</td>
<td>350,636</td>
<td>0</td>
<td>350,636</td>
</tr>
<tr>
<td>Fundraising</td>
<td>38,544</td>
<td>0</td>
<td>38,544</td>
</tr>
<tr>
<td>Interest Income</td>
<td>15</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>Other Income</td>
<td>2,874</td>
<td>0</td>
<td>2,874</td>
</tr>
<tr>
<td>Program Service Income</td>
<td>15,556</td>
<td>0</td>
<td>15,556</td>
</tr>
<tr>
<td>Net Assets Released from Restriction</td>
<td>62,800</td>
<td>(62,800)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>535,649</td>
<td>14,536</td>
<td>550,185</td>
</tr>
</tbody>
</table>

**Expenses**

| Program Services                           | 393,067      | 0                      | 393,067 |
| General and Administration                 | 67,258       | 0                      | 67,258  |
| Fundraising                                | 77,621       | 0                      | 77,621  |
| **Total Expenses**                         | 537,946      | 0                      | 537,946 |

**Net Income (Loss)**

| Net Assets - Beginning of Year as Originally Stated | $425,355 | $243,138 | $668,493 |
| Prior Period Adjustment                       | 0         | (198,269) | (198,269) |

**Net Assets - Beginning of Year as Restated**

| Net Income (Loss)                           | (2,297)    | 14,536    | 12,239   |
| Net Assets - End of Year                    | $423,058   | $59,405   | $482,463 |
JUNTA FOR PROGRESSIVE ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Support Services</th>
<th>Total Support Services</th>
<th>Total Functional Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Management &amp; General</td>
<td>Fundraising</td>
<td></td>
</tr>
<tr>
<td>Benefits &amp; Taxes</td>
<td>$39,376</td>
<td>$5,048</td>
<td>$6,058</td>
</tr>
<tr>
<td>Computer Expenses</td>
<td>3,788</td>
<td>757</td>
<td>505</td>
</tr>
<tr>
<td>Contract services</td>
<td>24,683</td>
<td>12,287</td>
<td>324</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>1,060</td>
<td>2,178</td>
<td>360</td>
</tr>
<tr>
<td>Equipment Rentals</td>
<td>3,066</td>
<td>613</td>
<td>409</td>
</tr>
<tr>
<td>Insurance</td>
<td>6,298</td>
<td>1,260</td>
<td>839</td>
</tr>
<tr>
<td>Payroll</td>
<td>255,495</td>
<td>31,793</td>
<td>38,660</td>
</tr>
<tr>
<td>Postage</td>
<td>312</td>
<td>264</td>
<td>438</td>
</tr>
<tr>
<td>Printing</td>
<td>1,400</td>
<td>690</td>
<td>1,928</td>
</tr>
<tr>
<td>Professional Development</td>
<td>968</td>
<td>1,394</td>
<td>695</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>5,816</td>
<td>1,163</td>
<td>776</td>
</tr>
<tr>
<td>Supplies</td>
<td>30,802</td>
<td>2,877</td>
<td>22,973</td>
</tr>
<tr>
<td>Telephone and Utilities</td>
<td>8,175</td>
<td>1,635</td>
<td>1,090</td>
</tr>
<tr>
<td>Travel</td>
<td>5,459</td>
<td>4,025</td>
<td>1,717</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6,369</td>
<td>1,274</td>
<td>849</td>
</tr>
<tr>
<td>Totals</td>
<td>$393,067</td>
<td>$67,258</td>
<td>$77,621</td>
</tr>
</tbody>
</table>

See the accompanying notes and auditor's report.
JUNTA FOR PROGRESSIVE ACTION, INC.
(A NON-PROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

Cash Flows from Operating Activities
Changes in Net Assets $ 12,239
Adjustments to Reconcile Change in Net Assets to Net Cash
Provided by (Used for) Operating Activities:
Depreciation Expense 8,492

Changes in Assets and Liability Accounts
(Increase) Decrease in Assets:
Grants Receivable 106,862
Prepaid Expenses 149

Increase (Decrease) in Liabilities:
Accounts Payable 295
Accrued Expenses ( 3,053)
Accrued Payroll 4,274
Deferred Revenue ( 26,876)

Net Cash Provided by (Used in) Operating Activities 102,382

Net Cash Flows Used In Investing Activities 0

Net Cash Flows Used In Financing Activities 0

Net Increase in Cash and Cash Equivalents 102,382
Cash and Cash Equivalents, Beginning of Year 59,232
Cash and Cash Equivalents, End of Year $ 161,614

Supplemental disclosures of cash flow information:
Cash paid during the year for interest $ 0

See the accompanying notes and auditor's report.
NOTE 1 Summary of Significant Account Policies
The summary of significant accounting policies of Junta for Progressive Action, Inc. (a Connecticut non-profit corporation) is presented to assist in understanding the organization’s financial statements. The financial statements and notes are the representation of the organization’s management who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

Nature of Organization
Junta for Progressive Action, Inc. (the "entity") is a Connecticut Non-Stock, Not-for-profit corporation established under the laws of the state of Connecticut and operates to provide services, programs and advocacy that improve the social, political and economic conditions of the Latino Community in the greater New Haven area, while nurturing and promoting its cultural traditions as it builds bridges with other communities. The programs include education, economic development, legal advocacy, family management, various children’s programs, cultural appreciation and worker’s rights. The entity also acts as a referral agency to various other service entities around the greater New Haven area.

Basis of Presentation
The financial statement presentation follows the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) as accepted in the United States of America. Under the accrual basis of accounting, income is recognized when it becomes available and measureable, and expenses are recognized when the liability is incurred.

Additionally, in accordance with FASB ASC 958-205-05, the organization is required to report information regarding its financial position and activities according to three classes of assets; unrestricted, temporarily restricted and permanently restricted. There were no permanently restricted net assets at December 31, 2011.

Income Taxes
The Company is treated as an IRC SEC 501(c)(3) tax exempt organization for income tax purposes. As such no provision or benefit for income taxes has been included in the financial statements.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

See the accompanying auditor’s report.
NOTE 1  Summary of Significant Account Policies (Continued)

Cash Equivalents
The organization considers all highly liquid investment instruments purchased with original maturities of three months or less to be cash equivalents, unless they are subject to donor restrictions.

Restricted and Unrestricted Revenue and Support - Revenue Recognition
In accordance with FASB ASC 958-605-25, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or the 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 the restriction expires (when a time restriction expires or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions.

Donated Services
Junta for Progressive Action, Inc. recognizes donated services if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. The amount of such services received during the year was not significantly material, and is therefore not reflected in the financial statements. General volunteer services do not meet this criteria for recognition in the financial statements. However, a substantial number of individual volunteers have donated a significant amount of their time to the organization’s programs.

Functional Expense Allocation
The majority of expenses can generally be directly identified with the program of supporting service to which they relate and are charged accordingly. Other expenses by function are allocated to the components of these services based on allocation factors determined by management, and these allocation factors may change from year to year.

Property and Equipment
The organization records all property and equipment purchased with a cost greater than $500 and a useful life of more than one year as a capital asset. Donated property is capitalized at fair value on the date of donation. Depreciation is calculated on the straight-line basis over the estimated useful life of the assets as follows:

- Buildings: 39 years
- Leasehold Improvements: 5-39 years
- Furniture and Equipment: 5-7 years
- Vehicles: 5 years

See the accompanying auditor’s report.
NOTE 1  Summary of Significant Account Policies (Continued)

Property and Equipment – Continued:
Expenditures for improvements and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expense for the year ended December 31, 2011 was $8,492.

Advertising Costs
The organization's policy is to expense all non-direct-response advertising in the period in which the costs are incurred. Any advertising costs which are to benefit a future period are capitalized and expensed the first time the advertising takes place. During the period, no advertising costs were capitalized.

NOTE 2  Concentration of Credit Risk

Support and Revenue Concentrations
The organization receives a significant part of its support and revenue from state grants. All of these grants are subject to reduction or termination in future years. Any significant reduction in these grants could have an adverse impact on the organization’s program services.

Grants and Contracts Receivable
Grants and contracts receivable are evidenced by signed contracts with a variety of state government agencies. Based on historical experience, management believes these receivables represent negligible credit risk. Accordingly, management has not established an allowance for potential credit losses.

Cash and Cash Equivalents
Junta for Progressive Action, Inc. maintains cash balances with financial institutions in the New Haven, Ct area. All non-interest bearing accounts have unlimited coverage through the Dodd-Frank Deposit Insurance Provision, while the Transaction Account Guarantee Program (TAGP) expired (sunset) on December 31, 2010. With the sunset of TAGP, interest bearing accounts at these institutions are now insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2011 the FDIC uninsured portion was $0.

NOTE 3  Fair Value of Financial Instruments

The organization follows the provisions of (ASC) 902 effective for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP) and expands disclosure about fair value measurement.

See the accompanying auditor’s report.
NOTE 3  Fair Value of Financial Instruments – continued:

(ASC) 902 defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principle or most advantageous market for that asset or liability. (ASC) 902 establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety.

NOTE 4  Commitments & Contingencies

The organization had a long-term lease on office equipment which expired on December 11, 2011. For the year ended, the total rental expense of these lease payments amounted to $2,558.

On January 18, 2012 the organization entered into an operating lease for new office equipment. The lease became effective February 18, 2012 and continues through January 18, 2017.

The minimum future lease payments under the terms of the lease are as follows:

<table>
<thead>
<tr>
<th>December 31:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$2,750</td>
</tr>
<tr>
<td>2013</td>
<td>3,000</td>
</tr>
<tr>
<td>2014</td>
<td>3,000</td>
</tr>
<tr>
<td>2015</td>
<td>3,000</td>
</tr>
<tr>
<td>2016</td>
<td>3,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$15,000</strong></td>
</tr>
</tbody>
</table>

NOTE 5  Retirement Plan

The organization maintains an IRS Sec 408(p) Simple IRA plan for all of the eligible employees meeting the Internal Revenue Service eligibility requirements. Employees are eligible to contribute to the plan after one year of full time employment. The organization matches employee contributions up to three percent (3%) per year. For the year ended December 31, 2011, the organization made matching contributions of $4,251.

NOTE 6  Subsequent Events

Management has evaluated subsequent events through August 18, 2012, the date on which the financial statements were available to be issued.

On January 18, 2012, the organization entered into a lease for office equipment. See note 4 for details.

See the accompanying auditor’s report.
NOTE 7 Prior Period Adjustment

Net Assets on January 1, 2011 have been adjusted to correct an error in the temporarily restricted net assets which included deferred revenue from government grants in the year ended December 31, 2010. The error had no effect on the unrestricted net assets at December 31, 2010 or on the net income for the year ended December 31, 2011.

See the accompanying auditor’s report.
Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards—No Material Weaknesses Identified, Significant Deficiencies, Reportable Instances of Noncompliance, And Other Matters Identified

To the Board of Directors of
Junta for Progressive Action, Inc.
New Haven, Connecticut

I have audited the financial statements of Junta for Progressive Action, Inc. as of and for the year ended December 31, 2011, and have issued my report thereon dated August 18, 2012. 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.

Internal Control Over Financial Reporting

Management of Junta for Progressive Action, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Junta for Progressive Action, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Junta for Progressive Action, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Junta for Progressive Action, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all the deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Junta for Progressive Action, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs.

I noted certain other matters that I reported to management of Junta for Progressive Action, Inc. in a separate letter dated August 18, 2012. None of those matters were of such a nature to require disclosure here.

Junta for Progressive Action, Inc.'s responses to the finding identified in my audit are described in the accompanying schedule of findings and questioned costs has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is appropriate, in all material respects, in relation to the basic financial statements taken as a whole.

Kenneth Mass & Company
Certified Public Accountant
Woodbridge, CT
August 18, 2012
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance In Accordance with OMB Circular A-133, and the State of Connecticut Single Audit Act — Unqualified Opinion on Compliance and No Material Weaknesses or Significant Deficiencies in Internal Control Over Compliance Identified

To the Board of Directors of
Junta for Progressive Action, Inc.
New Haven, Connecticut

Compliance

I have audited Junta for Progressive Action, Inc.'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the State of Connecticut Office of Policy and Management Compliance Supplement that could have a direct and material effect on each of its major state programs for the year ended December 31, 2011. Junta for Progressive Action, Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Junta for Progressive Action, Inc.'s management. My responsibility is to express an opinion on Junta for Progressive Action, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and the State of Connecticut Single Audit Act. Those standards and OMB Circular A133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Junta for Progressive Action, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Junta for Progressive Action, Inc.'s compliance with those requirements.

In my opinion, Junta for Progressive Action, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2011. The results of my auditing procedures, however, disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 1

(13)
Internal Control Over Compliance

The management of Junta for Progressive Action, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing my audit, I considered Junta for Progressive Action, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major state program to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Junta for Progressive Action, Inc.'s internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weaknesses in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

Junta for Progressive Action, Inc.'s responses to the finding identified in my audit are described in the accompanying schedule of findings and questioned costs has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is appropriate, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the board of directors of Junta for Progressive Action, Inc., others within the entity, the State of Connecticut Office of Policy and Management, and is not intended to be and should not be used by anyone other than these specified parties.

Kenneth Mass & Company
Certified Public Accountant
Woodbridge, CT
August 18, 2012
<table>
<thead>
<tr>
<th>State Grantor/Pass-Through Grantor Program Title</th>
<th>State Grantor Program Contract ID Number</th>
<th>State Program ID Number</th>
<th>CFDA Grant Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut Department of Social Services -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic Human Resources - HHD</td>
<td>10DSS1301OT</td>
<td>06100-16118</td>
<td>N/A</td>
<td>$ 197,877</td>
</tr>
<tr>
<td>Community Service Program - HRD</td>
<td>09DSS4001OT</td>
<td>N/A</td>
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<td>10DSS6101OT</td>
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<td>16,068</td>
</tr>
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<td>Community Service Program – HRD</td>
<td>11DSS4001OT</td>
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<td>8,958</td>
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<td>N/A</td>
<td>93.667</td>
<td>54,058</td>
</tr>
</tbody>
</table>

**Total All Funds**  
$ 297,626

**Total Funds from Federal Sources**  
$ 74,723

**Total Funds from State Sources**  
$ 222,903

See the accompanying notes and auditor’s report.
JUNTA FOR PROGRESSIVE ACTION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2011

The accompanying schedule of expenditures of federal and state financial assistance includes state grant activity of Junta for Progressive Action, Inc. under programs of the State of Connecticut for the fiscal year ended December 31, 2011. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs help to fund several programs of Junta for Progressive Action, Inc., including education, economic development, legal advocacy, family management, various children’s programs, cultural appreciation and worker’s rights.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Junta for Progressive Action, Inc. conform to accounting principles generally accepted in the United States of America as applicable to Government Auditing Standards, issued by the Comptroller General of the United States.

The information in the Schedule of Federal and State Financial Assistance is presented based upon regulations established by the U.S. Office of Management and Budget (OMB) and the State of Connecticut Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule of Federal and State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Federal and State Financial Assistance.

See the accompanying notes and auditor’s report.
JUNTA FOR PROGRESSIVE ACTION, INC.
(A NON-PROFIT ORGANIZATION)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements
Type of auditor's report issued was "Unqualified".

Internal control over financial reporting:

Material weaknesses Identified

Significant deficiencies Identified

Noncompliance material to financial statements noted

State Financial Assistance

Internal control over major programs:
Material weakness Identified

Significant deficiencies identified

Type of auditor's report issued on compliance with major programs – “Unqualified”

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

Noncompliance with state financial assistance programs identified

As described in item 1 in the accompanying schedule of findings and questioned costs, Junta for Progressive Action, Inc. did not comply with requirements regarding hours of operation that are applicable to its programs in which Family Stabilization Services are provided to eligible applicants. Compliance with such requirements is necessary, in my opinion, for Junta for Progressive Action, Inc. to comply with requirements applicable to those programs.

See the accompanying notes and auditor's report.
The following schedule reflects the major programs included in the audit:

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Total All Funds                                  $ 297,626
Total Funds from Federal Sources                 $ 74,723
Total Funds from State Sources                   $ 222,903

II. FINANCIAL STATEMENT FINDINGS

No findings were noted that are required to be reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

1) Grantor - Connecticut Department of Social Services
   Program Name - Hispanic Human Resources – HHD
   Community Service Program – HRD
   Community Service Program – CSV
   Community Service Program – HRD
   Community Service Program – HRD

Criteria: Each of the above listed programs requires Junta for Progressive Action, Inc. to be open to provide services to eligible participants Monday through Friday from 9:00 am until at least 5:00 pm

Condition: Junta for Progressive Action, Inc. had posted hours of operation Monday through Thursday in compliance with all of the above listed programs, however, the facility was closed to the public on Fridays, with the staff reporting to work to provide services and follow-up for in-process cases.

Questioned Costs – None.

See the accompanying notes and auditor’s report.
Effect: Although the facility was far above the minimum requirements for services provided to eligible individuals and families in the target populations and service areas in regard to participant communication, case management, various client services and community services, the above condition limited the services to only four days per week in which individuals could apply for services or request help.

Cause: Due to the extremely high number of eligible individuals and families in the programs, the limited funds available and the limited number of qualified employees available to work, the days of the week the facility was open was limited in an effort by the management of Junta for Progressive Action, Inc. to allow the employees to give full attention to the cases in process.

Recommendations:

1) It was recommended that the organization remain open five days a week in compliance with the provisions of the grantor contracts.

2) It was recommended that the management of Junta for Progressive Action, Inc. approach all of the grantors concerning the hours of operation in the program contracts.

Response by Junta for Progressive Action, Inc.:

1) Junta for Progressive Action, Inc. has modified their hours of operation to five days a week to be in compliance with the provisions of the grantor contracts.

2) The management of Junta for Progressive Action, Inc. has approached all of the program grantors, and opened discussions concerning the hours of operation as outlined in the program contracts.

See the accompanying notes and auditor's report.
JUNTA FOR PROGRESSIVE ACTION, INC.
(A NON-PROFIT ORGANIZATION)
SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

Prior Year Findings:

1) Fixed Assets – An historical cost accounting for all previously acquired items should be prepared in order to accurately document all fixed assets.

   Response – A record of all assets acquired has been assembled. Additionally, a capitalization policy has been instituted whereby all property and equipment purchased with a cost greater than $500 and a useful life of more than one year is recorded as a capital asset. Donated property is capitalized at fair value on the date of donation.

2) Documentation issues were noted in several areas including a missing time sheet and various other approval steps.

   Response – An internal control policy was instituted concerning all time sheets, requiring the signature of the executive director prior to payment. Additionally, all invoices are reviewed by the executive director prior to the executive director signing the payment check.

3) The review and acceptance of the previous minutes of the meetings of the Board of Directors should be documented in the following minutes of the meeting of the Board.

   Response – The agenda for the Board of Directors Meetings has been modified to include the reading and approval of the minutes from the prior meeting.

Junta for Progressive Action, Inc.’s responses to the findings identified above by the prior auditor in his prior year reports have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are appropriate, in all material respects, in relation to the basic financial statements taken as a whole.

Kenneth Mass & Company
Certified Public Accountant
Woodbridge, CT
August 18, 2012

See the accompanying notes and auditor’s report.