

# **JUBILEE USA NETWORK**

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

**For The Year Ended December 31, 2006**

**Thomas Raymond Conlon  
Certified Public Accountant**

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**THOMAS RAYMOND CONLON**  
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Jubilee USA Network  
Washington, DC

I have audited the accompanying statement of financial position of the Jubilee USA Network as of December 31, 2006, and the related statements of activities, and cash flows for the year then ended. The financial statements are the responsibility of management. My responsibility is to express an opinion on the 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 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 Jubilee USA Network as of December 31, 2006, and the change in net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Thomas Raymond Conlon*

Washington, DC  
May 31, 2007

**JUBILEE USA NETWORK**  
Statement of Financial Position  
As of December 31, 2006

**ASSETS**

Cash	\$ 58,722
Prepaid Expenses	3,964
Lease deposits	933
Educational and informational material, net	10,521
Property and equipment, net	<u>5,147</u>

**TOTAL ASSETS** \$ 79,287

**LIABILITIES**

Deferred revenue \$ 60,000

**TOTAL LIABILITIES** \$ 60,000

**NET ASSETS**

Unrestricted \$ 19,287

Total net assets 19,287

**TOTAL LIABILITIES AND NET ASSETS** \$ 79,287

The Notes to the Financial Statements are an Integral Part of These Statements

**JUBILEE USA NETWORK**  
Statement of Activities and Change in Net Assets  
Year Ended December 31, 2006

<b>REVENUES, GAINS, AND OTHER SUPPORT</b>	<u><b>Total</b></u>
Grants	\$ 241,977
Contributions from network council members	53,195
Contributions from Jubilee congregations	12,861
Contributions from donors	109,504
Delegation	16,590
Conference	1,592
Honorarium	1,000
Materials, net	1,454
Other	1,150
Interest	<u>519</u>
<b>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</b>	<b>438,388</b>
<b>EXPENSES</b>	
Program	332,902
Management and general	60,187
Fundraising	43,720
Amortization	6,341
Depreciation	<u>1,913</u>
<b>TOTAL EXPENSES</b>	<b>445,063</b>
<b>DECREASE IN NET ASSETS</b>	<b>(6,675)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	
As previously reported	42,828
Adjustment	(16,866)
Balance at beginning of year, as restated	25,962
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 19,287</u></b>

The Notes to the Financial Statements are an Integral Part of These Statements

**JUBILEE USA NETWORK**  
Statement of Cash Flows  
Year Ended December 31, 2006

**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in net assets	\$ ( 6,675)
Adjustments to reconcile decrease in net assets to cash provided by operating activities:	
Amortization	6,341
Depreciation	1,913
(Increase) decrease in operating assets:	
Prepaid expenses	( 3,964)
Increase (decrease) in operating liabilities:	
Deferred revenue	<u>60,000</u>
Net cash provided by operating activities	\$ 57,615

**CASH FLOWS FROM INVESTMENT ACTIVITIES**

Purchases of property and equipment	\$ ( 3,225)
Purchases of intangible assets	<u>( 12,538)</u>
Net cash used by investing activities	\$ ( 15,763)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	\$ 41,852
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	\$ 16,870
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 58,722</u>

The Notes to the Financial Statements are an Integral Part of These Statements

**JUBILEE USA NETWORK**  
Notes To Financial Statements

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization:

The Jubilee USA Network received exemption from federal income taxes under section 501(a) of the Internal Revenue Code, in May 2006. Prior, it was a project authorized under the Center for New Creation, another tax-exempt organization. Jubilee USA Network is a section 501(c)(3) tax-exempt organization.

Significant accounting policies are as follows:

Fiscal Year:

As of January 1, 2006, the Organization changed to a calendar period. In prior years, the fiscal year began December 1 and ended November 30. The beginning fund balance, as of January 1, 2006, has been adjusted to include the activity for December 2006.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities at the date of the financial statements; and (2) the reported amounts of revenues and expenses during the reporting period.

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting, and in accordance with the Statement of Financial Accounting Standard (SFAS) No. 117.

According to these provisions, net assets, as well as revenue and expenses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets: The balance represents net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets: Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Fund and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Grants received during the year with restrictions for use, which are expended during the year received, are considered unrestricted grants.



**JUBILEE USA NETWORK**  
Notes To Financial Statements

Promises to Give:

Contributions and grants are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Grants and donations are considered to be available for unrestricted use unless specifically restricted by the contributor.

Property and Equipment:

The organization's property and equipment, which consist of computers, telephones, and copier, are carried at cost. Depreciation is provided for the property and equipment, using the straight-line method over their useful lives.

Educational and Informational Material:

The cost of educational and informational material, such as educational packets, informational brochures and other items have been capitalized and then expensed over the estimated life of the assets.

Joint Costs of Program and Fundraising Activities:

During 2006, the Organization incurred \$10,400 in printing costs for quarterly packets, which included a newsletter, letter from the National Coordinator, reply cards, and envelopes. Of the \$10,400, \$2,600 was allocated to program costs and \$7,800 to fundraising costs. The program costs represent one half of the newsletter printing cost, since the newsletter contained informational material which furthers the program goals. The cost of the letter, reply cards, and envelopes were allocated to fundraising.

Adjustment to Net Assets at Beginning of Year:

The beginning fund balance at January 1, 2006 was decreased by \$16,866, to record the activity of the Organization from December 1 through December 31, 2005. The Organization changed its fiscal year from December 1 through November 30 to January 1 through December 31.