

**JUBILEE USA NETWORK**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Conlon and Associates, LLC  
Certified Public Accountant**

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CONLON AND ASSOCIATES, LLC  
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Jubilee USA Network  
Washington, D.C.

We have audited the accompanying statement of financial position of Jubilee USA Network (Organization) as of December 31, 2011 and the related statements of activities, cash flows, and functional expenses, for the year then ended. The financial statements are the responsibility of the Organization's management. 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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jubilee USA Network as of December 31, 2011 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.

*Conlon and Associates, LLC*

Silver Spring, Maryland  
July 31, 2012

**JUBILEE USA NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2011**

<b>ASSETS</b>	
Current assets	
Cash	\$ (606)
Contributions receivable	<u>28,332</u>
Total current assets	27,726
Non-current assets	
Lease deposit	<u>933</u>
<b>TOTAL ASSETS</b>	<b>28,659</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Payables and accrued expenses	<u>26,595</u>
Total liabilities	26,595
<b>NET ASSETS</b>	
Unrestricted	<u>2,064</u>
Total net assets	2,064
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 28,659</b>

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

**JUBILEE USA NETWORK**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2011**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Foundations	\$ 87,324	\$ -	\$ 87,324
Faith communities	11,623	-	11,623
Individuals	140,342	-	140,342
Network Council members	48,405	-	48,405
Jubilee Congregations	12,702	-	12,702
Honorarium	550	-	550
Interest	48	-	48
Total revenue	<u>300,994</u>	<u>-</u>	<u>300,994</u>
Net assets released from restrictions	15,000	(15,000)	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>315,994</b>	<b>(15,000)</b>	<b>300,994</b>
<b>EXPENSES</b>			
Program	272,084	-	272,084
Management and general	34,322	-	34,322
Fundraising	20,322	-	20,322
<b>TOTAL EXPENSES</b>	<u>326,728</u>	<u>-</u>	<u>326,728</u>
<b>CHANGE IN NET ASSETS</b>	<b>(10,734)</b>	<b>(15,000)</b>	<b>(25,734)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>12,798</u>	<u>15,000</u>	<u>27,798</u>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,064</b>	<b>\$ -</b>	<b>\$ 2,064</b>

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

**JUBILEE USA NETWORK**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2011**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (25,734)
Adjustments to reconcile increase in net assets to cash provided by operating activities:	
Increase in contributions receivable	(25,236)
Increase in accounts payable	11,826
Total adjustments	<u>(13,410)</u>
Net cash used by operating activities	(39,144)
NET DECREASE IN CASH	(39,144)
CASH AT BEGINNING OF YEAR	<u>38,538</u>
CASH AT END OF YEAR	\$ (606)

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

**JUBILEE USA NETWORK**  
Statement of Functional Expenses  
For the Year Ended December 31, 2011

Expense Category	Total	Program	Management And General	Fundraising
Bank charges	\$ 3,418	\$ -	\$ 3,418	\$ -
Benefits, employees	21,459	18,133	1,717	1,609
Compensation, employees	159,952	135,159	12,796	11,997
Equipment	10,172	7,731	1,221	1,220
Independent service providers	25,780	19,327	6,453	-
Insurance	2,139	1,070	1,069	-
Meetings	7,730	7,730	-	-
Occupancy	27,035	22,845	2,163	2,027
Postage	2,901	2,205	406	290
Printing	6,509	4,947	976	586
Supplies	1,336	-	1,336	-
Tax, payroll	17,569	14,846	1,406	1,317
Telephone	17,010	14,373	1,361	1,276
Travel	23,718	23,718	-	-
<b>Total</b>	<b>\$ 326,728</b>	<b>\$ 272,084</b>	<b>\$ 34,322</b>	<b>\$ 20,322</b>

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

**JUBILEE USA NETWORK**  
Notes to Financial Statements

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Jubilee USA Network (Organization) received exemption from federal income taxes under section 501(a) of the Internal Revenue Code in May 2006. Prior to that time, 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 not disclosed elsewhere in the financial statements are as follows:

Fiscal Year

The Organization's fiscal year reporting period is the same as the calendar year.

Basis of Presentation

Financial statement presentation follows the recommendations of the FASB ASC 958-205 *Presentation of Financial Statements for Not-For-Profit Organizations*. Under FASB ASC 958-205, 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. The Organization had unrestricted net assets at December 31, 2011.

Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements; and (2) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from federal income taxes under section 501(a) of the Internal Revenue Code, as an organization described in section 501(c)(3).

The Organization's income tax informational returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of activities that are subject to tax on unrelated business income or excise or other taxes.



**JUBILEE USA NETWORK**  
Notes to Financial Statements

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED**

**Revenue Recognition:**

All revenue is considered available for the Organization's general programs unless restricted by the donor. Support that is restricted by the donor is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction and when restrictions are met.

Revenue received with temporarily restrictions that are met in the same reporting period is reported as unrestricted support, and increases unrestricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets in the Statement of Activities.

**NOTE 2: FIXED ASSETS**

Fixed assets consist of office equipment. Fixed assets are depreciated on a straight-line basis, over the estimated useful lives. The equipment, which had a cost of \$13,400, was fully depreciated at December 31, 2011.

**NOTE 3: FINANCIAL CLASSIFICATION OF EXPENSES**

The Organization allocates its expenses on a functional basis among program, management and general, and fundraising, according to their natural expenditure classification.

**NOTE 4: SUBSEQUENT EVENTS**

In preparing these statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 31, 2012, the date the financial statements were available to be issued.