

JUBILEE USA NETWORK

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

For The Year Ended November 30, 2004

**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
Center for New Creation
Washington, DC

I have audited the accompanying statement of financial position of the Jubilee USA Network as of November 30, 2004, 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 November 30, 2004, 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
August 1, 2005

JUBILEE USA NETWORK
Statement of Financial Position
As of November 30, 2004

ASSETS

Cash	\$ 46,604
Grant receivable	65,000
Lease deposits	1,200
Property and equipment, net	<u>6,004</u>

TOTAL ASSETS \$ 118,808

LIABILITIES

Accounts payable and accrued expenses	\$ 6,655
Deferred revenue	<u>65,000</u>

TOTAL LIABILITIES \$ 71,655

NET ASSETS

Temporarily restricted	47,153
Total net assets	<u>47,153</u>

TOTAL LIABILITIES AND NET ASSETS \$ 118,808

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 November 30, 2004

REVENUES, GAINS, AND OTHER SUPPORT	<u>Total</u>
Grants	\$ 175,000
Contributions from network council members	37,619
Contributions from Jubilee congregations	16,468
Contributions from religious organizations	16,914
Contributions form other organizations	4,755
Contributions from donors	42,424
Other	581
Interest	<u>98</u>
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	293,859
 EXPENSES	
Program	227,960
Management and General	36,058
Depreciation	2,169
Amortization	10,177
TOTAL EXPENSES	276,364
 INCREASE IN NET ASSETS	 17,495
 NET ASSETS AT BEGINNING OF YEAR	
As previously reported	28,656
Adjustment for understatement of revenue	1,002
Balance at beginning of year, as restated	29,658
 NET ASSETS AT END OF YEAR	 <u>\$ 47,153</u>

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

JUBILEE USA NETWORK
Statement of Cash Flows
Year Ended November 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 17,495
Adjustment of prior period	1,002
Adjustments to reconcile decrease in net assets to cash provided by operating activities:	
Amortization	10,177
Depreciation	2,169
(Increase) decrease in operating assets:	
Funding receivable, non-grant	12,110
Grant receivable	(65,000)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	166
Deferred revenue	<u>65,000</u>
Net cash provided by operating activities	\$ 43,119

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of fixed assets	(2,007)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 41,112
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	\$ 5,492
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 46,604</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 is a project authorized under the Center for New Creation. The Center for New Creation is exempt from federal income taxes under section 501(a) of the Internal Revenue Code, as an organization described in section 501(c)(3).

Significant accounting policies are as follows:

Fiscal Year:

The organization's fiscal year reporting period is December 1 through November 30.

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.

Income Taxes:

The Jubilee USA Network is a project authorized under the Center for New Creation. The Center for New Creation 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 Jubilee USA Network plans to request tax-exempt status from the Internal Revenue Service.

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. As of November 30, 2004, the material was amortized fully.

Prior Period Adjustment:

The beginning fund balance at December 1, 2002 was increased by \$1,002, based on an adjustment which decreased payable amounts at that time.