

**ASEORES FINANCIEROS COMUNITARIOS, INC.**

**Financial Statements**

**December 31, 2010  
with comparative totals for 2009**

**(With Independent Auditors' Report Thereon)**

**CRUZ, IZAGUIRRE & CO., PSC  
Certified Public Accountants**



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Asesores Financieros Comunitarios, Inc.  
San Juan, Puerto Rico

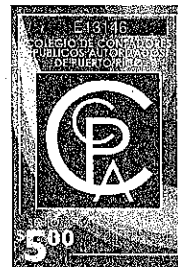
We have audited the accompanying statements of financial position of Asesores Financieros Comunitarios, Inc., (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of Asesores Financieros Comunitarios, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Asesores Financieros Comunitarios, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. 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 audits provide 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 Asesores Financieros Comunitarios, Inc. as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Cruz, Izaguirre & Co., PSC*

Cruz, Izaguirre & Co., CPA, PSC  
Lic. 159  
San Juan, Puerto Rico  
July 11, 2011



ASESORES FINANCIEROS COMUNITARIOS, INC.

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 34,111	\$ 35,154
Accounts receivable	<u>6,335</u>	<u>152</u>
TOTAL CURRENT ASSETS	<u>40,446</u>	<u>35,306</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 225
Accrued expenses	<u>2,767</u>	<u>1,730</u>
TOTAL CURRENT LIABILITIES	<u>2,767</u>	<u>1,955</u>
NET ASSETS		
Temporarily restricted	5,712	-
Unrestricted	<u>31,968</u>	<u>33,351</u>
TOTAL NET ASSETS	<u>37,679</u>	<u>33,351</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 40,446</u>	<u>\$ 35,306</u>

The accompanying notes are an integral part of this statement.

**ASESORES FINANCIEROS COMUNITARIOS, INC.**

**STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010  
WITH COMPARATIVE TOTALS FOR 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total 2009</u>
<b>REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Grants	\$ -	\$ 15,000	\$ 15,000	\$ 9,000
Corporate donations	1,000	20,000	21,000	30,975
Individuals donations	4,513	-	4,513	1,235
Contribution from the PR Society of CPA	4,000	-	4,000	200
Seminar revenues	8,210	-	8,210	5,050
Fund raising activities	15,665	-	15,665	4,437
Consulting services	18,200	-	18,200	-
In-kind contributions	103,696	-	103,696	36,046
Interest income	140	-	140	213
Net assets released from restrictions	<u>29,288</u>	<u>(29,288)</u>	<u>-</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUES</b>	<u>184,712</u>	<u>5,712</u>	<u>190,424</u>	<u>87,156</u>
<b>EXPENSES</b>				
Salaries, payroll and fringe benefits	22,629	-	22,629	17,083
Executive director	31,200	-	31,200	22,299
In kind legal services	16,165	-	16,165	9,591
Accounting and audit (In kind: \$11,880 for 2010 and \$1,150 for 2009)	12,105	-	12,105	1,184
Design and development of workshops (In kind: \$7,087 for 2010 and \$5,800 for 2009)	16,225	-	16,225	14,054
Workshops' facilitators (In kind: \$10,975 for 2010 and \$8,150 for 2009)	15,775	-	15,775	8,900
Workshops' material and other expenses (In kind: \$2,449 for 2010 and \$960 for 2009)	5,199	-	5,199	3,584
In kind rent	6,000	-	6,000	6,000
In kind consulting services	33,700	-	33,700	3,700
In kind advertising and promotion	14,415	-	14,415	500
Internet and web page	450	-	450	2,282
Fund raising expenses	5,927	-	5,927	2,126
Miscellaneous (In kind: \$1,025 for 2010 and \$195 for 2009)	6,306	-	6,306	4,428
<b>TOTAL EXPENSES</b>	<u>186,096</u>	<u>-</u>	<u>186,096</u>	<u>95,731</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(1,383)	5,712	4,328	(8,575)
<b>NET ASSETS, beginning of year</b>	<u>33,351</u>	<u>-</u>	<u>33,351</u>	<u>41,926</u>
<b>NET ASSETS, end of year</b>	<u>\$ 31,968</u>	<u>\$ 5,712</u>	<u>\$ 37,679</u>	<u>\$ 33,351</u>

The accompanying notes are an integral part of this statement.

ASESORES FINANCIEROS COMUNITARIOS, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 4,328	\$ (8,575)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Decrease (increase) in accounts receivable	(6,183)	20,057
Decrease in accounts payable	(225)	(2,828)
Increase in accrued expenses	<u>1,037</u>	<u>986</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,043)</u>	<u>9,640</u>
NET INCREASE (DECREASE) IN CASH	(1,043)	9,640
CASH, beginning of year	<u>35,154</u>	<u>25,514</u>
CASH, end of year	<u>\$ 34,111</u>	<u>\$ 35,154</u>

The accompanying notes are an integral part of this statement.

# ASESORES FINANCIEROS COMUNITARIOS, INC.

## Notes to Financial Statements December 31, 2010 and 2009

### 1. Organization and Summary of Significant Accounting Policies

#### a. Organization

Asesores Financieros Comunitarios, Inc. (the Organization), was incorporated under the laws of the Commonwealth of Puerto Rico as a nonprofit organization on August 10, 2007 and commenced operations in December, 2007. The primary objective of the Organization is to empower non-profit and community based organizations to improve their fiscal administration and ensure their financial viability in the long run. Also, the Organization provides training services to non-profit organizations personnel in the areas of organizational structure, accounting and general administration.

#### b. Significant Accounting Policies

##### Basis of Accounting

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

##### Basis of Presentation

As required by the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), the Organization reports 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. In addition, the Organization is required to present a statement of cash flows. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

##### Contributions and Revenue Recognition

As required by the Not-for-Profit Entities Topic of the FASB ASC, contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

## **ASESORES FINANCIEROS COMUNITARIOS, INC.**

### **Notes to Financial Statements December 31, 2010 and 2009**

Contributions are recognized as revenues when they are received or unconditionally pledged.

#### **Donated Services**

As required by the Not-for-Profit Entities Topic of the FASB ASC, donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Accounts Receivable**

Management considers accounts receivable balance to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made.

#### **Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions that occurred subsequent to December 31, 2010, in accordance with the Subsequent Events Topic of the FASB ASC, for potential recognition or disclosure through July 11, 2011, the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2010 that required recognition or disclosure in the current period financial statements.

#### **Summarized Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted

## **ASESORES FINANCIEROS COMUNITARIOS, INC.**

### **Notes to Financial Statements December 31, 2010 and 2009**

accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

#### **2. Tax Status**

The Organization is exempt from the payment of income tax, municipal and property taxes, under Section 1101(12) of the Puerto Rico Income Tax Code, section 9(7) of the Municipal License Tax Act, and section 5.01(e) of the Municipal Property Tax Act, respectively.

Also, the Organization filed the application for the exemption from the payment of federal taxes under Section 501(c) (9) of the Internal Revenue Code.

#### **3. Noncompliance with Grantor or Donor Restrictions**

Financial awards received by the Organization from non profit entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.