

ASESORES FINANCIEROS COMUNITARIOS, INC.

Financial Statements

**December 31, 2011
with comparative totals for 2010**

(With Independent Auditors' Report Thereon)



ASESORES FINANCIEROS COMUNITARIOS, INC.

DECEMBER 31, 2011

(WITH COMPARATIVE TOTALS FOR 2010)

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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 statement of financial position of Asesores Financieros Comunitarios, Inc., (a nonprofit organization) as of December 31, 2011, and the related statements of activities, and cash flows for the year 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 audit. The prior year summarized comparative information has been derived from the Asesores Financieros Comunitarios Inc.'s 2010 financial statements, and in our report dated July 11, 2011 we expressed an unqualified opinion on those financial statements.

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 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 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 Asesores Financieros Comunitarios, 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.

Cruz, Izaguirre & Co., PSC

Cruz, Izaguirre & Co., CPA, PSC
Lic. 159
San Juan, Puerto Rico
January 3, 2013

Stamp number E48579
was affixed to original

ASESORES FINANCIEROS COMUNITARIOS, INC.

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011
(WITH COMPARATIVE FINANCIAL INFORMATION
AT DECEMBER 31, 2010)**

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 23,008	\$ 34,111
Accounts receivable	<u>36,660</u>	<u>6,335</u>
TOTAL CURRENT ASSETS	<u><u>59,668</u></u>	<u><u>40,446</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,000	\$ -
Accrued expenses	<u>2,824</u>	<u>2,767</u>
TOTAL CURRENT LIABILITIES	<u><u>4,824</u></u>	<u><u>2,767</u></u>
NET ASSETS		
Temporarily restricted	1,427	5,712
Unrestricted	<u>53,417</u>	<u>31,967</u>
TOTAL NET ASSETS	<u><u>54,844</u></u>	<u><u>37,679</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 59,668</u></u>	<u><u>\$ 40,446</u></u>

The accompanying notes are an integral part of this statement.

ASESORES FINANCIEROS COMUNITARIOS, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2010)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total 2010</u>
REVENUES AND NET ASSETS RELEASED FROM RESTRICTIONS				
Grants	\$ -	\$ 25,000	\$ 25,000	\$ 15,000
Corporate donations	1,696	25,000	26,696	21,000
Individuals donations	3,005	-	3,005	4,513
Contribution from the PR Society of CPA	2,720	-	2,720	4,000
Seminar and conference revenues	44,340	-	44,340	8,210
Fund raising activities	-	-	-	15,665
Consulting services	9,025	-	9,025	18,200
In kind contributions	54,269	-	54,269	103,696
Interest income	99	-	99	140
Net assets released from restrictions	<u>54,285</u>	<u>(54,285)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>169,439</u>	<u>(4,285)</u>	<u>165,154</u>	<u>190,424</u>
EXPENSES				
Salaries, payroll and fringe benefits	32,781	-	32,781	22,629
Executive director	31,200	-	31,200	31,200
In kind legal services	14,411	-	14,411	16,165
Accounting and audit (In kind: \$4,905 for 2011 and \$11,880 for 2010)	4,905	-	4,905	12,105
Design and development of workshops (In kind: \$5,250 for 2011 and \$7,087 for 2010)	11,888	-	11,888	16,225
Workshops' facilitators (In kind: \$10,725 for 2011 and \$10,975 for 2010)	20,325	-	20,325	15,775
Workshops' material and other expenses (In kind \$2,449 for 2010)	7,329	-	7,329	5,199
In kind rent	6,000	-	6,000	6,000
In kind consulting services	12,978	-	12,978	33,700
In kind advertising and promotion	-	-	-	14,415
Internet and web page	-	-	-	450
Fund raising expenses	-	-	-	5,927
Miscellaneous (In kind: \$1,025 for 2010)	6,172	-	6,172	6,306
TOTAL EXPENSES	<u>147,989</u>	<u>-</u>	<u>147,989</u>	<u>186,096</u>
INCREASE (DECREASE) IN NET ASSETS	21,450	(4,285)	17,165	4,328
NET ASSETS, beginning of year	<u>31,967</u>	<u>5,712</u>	<u>37,679</u>	<u>33,351</u>
NET ASSETS, end of year	<u>\$ 53,417</u>	<u>\$ 1,427</u>	<u>\$ 54,844</u>	<u>\$ 37,679</u>

The accompanying notes are an integral part of this statement.

ASESORES FINANCIEROS COMUNITARIOS, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011
(WITH COMPARATIVE FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2010)**

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 17,165	\$ 4,328
Adjustments to reconcile increase in net assets to net cash used by operating activities		
Decrease in accounts receivable	(30,325)	(6,183)
Increase (decrease) in accounts payable	2,000	(225)
Increase in accrued expenses	<u>57</u>	<u>1,037</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(11,103)</u>	<u>(1,043)</u>
NET DECREASE IN CASH	(11,103)	(1,043)
CASH, beginning of year	<u>34,111</u>	<u>35,154</u>
CASH, end of year	<u>\$ 23,008</u>	<u>\$ 34,111</u>

The accompanying notes are an integral part of this statement.

ASESORES FINANCIEROS COMUNITARIOS, INC.

Notes to Financial Statements December 31, 2011 (with comparative financial information for December 31, 2010)

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, 2011 (with comparative financial information for December 31, 2010)

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, 2011, in accordance with the Subsequent Events Topic of the FASB ASC, for potential recognition or disclosure through January 3, 2013, the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2011 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 U.S. generally

ASESORES FINANCIEROS COMUNITARIOS, INC.

**Notes to Financial Statements
December 31, 2011
(with comparative financial information
for December 31, 2010)**

accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

2. Tax Status

The Organization is exempt from the payment of federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Also, 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.

The Organization adopted the recognition requirements for uncertain tax positions, with no cumulative effect adjustment required. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and Puerto Rico jurisdiction. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of activities or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2011. All years subsequent and including 2007 remain open to examination by the Puerto Rico taxing authorities and the Internal Revenue Service.

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.