

**Massachusetts Immigrant and
Refugee Coalition, Inc.**
Financial Statements
and
Independent Auditor's Report
June 30, 2005

Massachusetts Immigrant and Refugee Coalition, Inc.

Financial Statements
June 30, 2005

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Independent Auditor's Report

The Board of Directors
Massachusetts Immigrant and Refugee Coalition, Inc.
Boston, Massachusetts

We have audited the accompanying statement of financial position of Massachusetts Immigrant and Refugee Coalition, Inc. (MIRA) (a nonprofit organization) as of June 30, 2005 and the related statements of activities, functional expenses and cash flows for the year then ended. These 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. The financial statements of the organization as of June 30, 2004 were audited by other auditors whose report dated August 5, 2004, expressed an unqualified opinion on those 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 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 Massachusetts Immigrant and Refugee Coalition, Inc. as of June 30, 2005, 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.

Sambo Okolo
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Company, LLC
September 15, 2005

Massachusetts Immigrant and Refugee Coalition, Inc.

Statement of Financial Position
June 30, 2005

Assets	2005	2004
<i>Current Assets</i>		
Cash and cash equivalents	\$ 213,890	\$ 227,049
Accounts receivable	2,830	2,273
Pledges and grants receivable	18,400	81,578
Prepaid expenses	4,779	1,000
Total current assets	<u>239,899</u>	<u>311,900</u>
<i>Fixed Assets</i>		
Equipment and furniture	62,387	58,383
Leasehold improvement	11,119	4,621
Less: Accumulated depreciation	<u>(61,748)</u>	<u>(55,896)</u>
Net fixed assets	<u>11,758</u>	<u>7,108</u>
Total assets	<u>\$ 251,657</u>	<u>\$ 319,008</u>
Liabilities and Net Assets		
<i>Current Liabilities</i>		
Accounts payable and accrued expenses	<u>21,547</u>	<u>25,459</u>
Total current liabilities	<u>21,547</u>	<u>25,459</u>
Total liabilities	<u>21,547</u>	<u>25,459</u>
<i>Net Assets</i>		
Unrestricted	127,710	118,771
Temporarily restricted	<u>102,400</u>	<u>174,778</u>
Total liabilities and net assets	<u>\$ 251,657</u>	<u>\$ 319,008</u>

See accompanying notes to financial statements

Massachusetts Immigrant and Refugee Coalition, Inc.

Statement of Activities
For the Year ended June 30, 2005

	2,005	2004
<i>Changes in unrestricted net assets:</i>		
Revenues and gains:		
Contributions	\$ 438,458	\$ 566,226
Service fees	27,328	20,008
Fund raising	42,874	-
Membership dues	11,250	11,300
In-kind contributions	35,200	19,265
Other income	-	4,005
Interest income	1,806	192
	<u>556,916</u>	<u>620,996</u>
Net assets released from restrictions:	<u>72,378</u>	<u>64,282</u>
Expiration of time and program restrictions:		
	<u>629,294</u>	<u>685,278</u>
Expenses		
Program expenses	502,117	373,893
Fund raising	17,263	9,657
Management and general	100,975	79,127
	<u>620,355</u>	<u>462,677</u>
	<u>8,939</u>	<u>222,601</u>
<i>Changes in temporarily restricted net assets</i>		
Net assets released from restrictions	<u>(72,378)</u>	<u>(64,282)</u>
Decrease in temporarily restricted net assets	<u>(72,378)</u>	<u>(64,282)</u>
	(63,439)	158,319
Net assets at beginning of period	<u>293,549</u>	<u>135,230</u>
Net assets at end of period	<u>\$ 230,110</u>	<u>\$ 293,549</u>

See accompanying notes to financial statements

Massachusetts Immigrant and Refugee Coalition, Inc.
Statement of Functional Expenses

For the Year Ended June 30, 2005

	P R O G R A M S				Fund Raising	Management		2,005 Total	2,004 Total
	Training And Education	Policy And Analysis	Organizing And Leadership	Total Program		And General	General		
Salaries and wages	\$ 75,661	\$ 81,025	\$ 82,398	\$ 239,084	\$ -	\$ 52,440	\$ 291,524	\$ 253,158	
Payroll taxes	9,017	10,099	10,820	29,936	-	6,146	36,082	26,117	
Fringe benefits	10,198	11,880	10,101	32,179	-	5,349	37,528	22,139	
Recruitment	25	17	18	60	-	-	60	472	
GLAH event	-	-	-	-	17,263	-	17,263	-	
Advertising	-	-	-	-	-	-	-	472	
Depreciation	-	-	-	-	-	5,852	5,852	1,922	
Bank service charge	20	23	24	67	-	161	228	190	
Dues and subscription	1,179	1,875	1,179	4,233	-	196	4,429	2,405	
Filing fees	191	374	229	794	-	381	1,175	-	
Interest expense	-	-	-	-	-	-	-	223	
Insurance	317	355	380	1,052	-	651	1,703	1,477	
Meetings and events	6,829	4,069	5,696	16,594	-	738	17,332	9,734	
Office equipment	137	154	164	455	-	10	465	1,487	
Gifts and contributions	404	453	485	1,342	-	275	1,617	-	
Postages and delivery	1,670	1,677	1,670	5,017	-	1,034	6,051	5,266	
Printing and reproduction	4,953	4,250	4,250	13,453	-	713	14,166	9,100	
Professional fees	14,425	29,465	22,214	66,104	-	13,519	79,623	38,847	
Rent	11,471	12,848	13,765	38,084	-	7,782	45,866	46,897	
Repairs and maintenance	-	-	-	-	-	79	79	1,533	
Staff development	418	518	417	1,353	-	139	1,492	220	
Telecommunications	2,570	2,570	2,570	7,710	-	856	8,566	6,809	
Travels	1,687	4,210	3,758	9,655	-	493	10,148	8,639	
Utilities	57	64	68	189	-	39	228	1,125	
Office supplies	783	1,225	964	2,972	-	706	3,678	5,180	
Program support	9,832	10,216	11,736	31,784	-	3,416	35,200	19,265	
Total expenses	\$ 151,844	\$ 177,367	\$ 172,906	\$ 502,117	\$ 17,263	\$ 100,975	\$ 620,355	\$ 462,677	

See accompanying notes to the financial statements

Massachusetts Immigrant and Refugee Coalition, Inc.

Statement of Cash Flows
For the Year Ended June 30, 2005

	2005	2004
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ (63,439)	\$ 158,319
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,852	1,922
Increase) in accounts receivable	(556)	(1,307)
Decrease/(increase) in pledges and grants receivable	63,178	(17,296)
Increase in prepaid expenses	(3,779)	(23)
Increase/(decrease) in accounts payable and accrued expenses	<u>(3,912)</u>	<u>(6,546)</u>
Net cash provided by operating activities	<u>(2,656)</u>	<u>135,069</u>
<i>Cash flows from investing activities:</i>		
Leasehold improvement	(6,498)	
Purchase of equipment	<u>(4,005)</u>	<u>(3,160)</u>
Net cash used in investing activities	<u>(10,503)</u>	<u>(3,160)</u>
Net increase in cash and cash equivalents	(13,159)	131,909
Cash and cash equivalents, beginning of period	<u>227,049</u>	<u>95,140</u>
Cash and cash equivalents, end of period	<u>\$ 213,890</u>	<u>\$ 227,049</u>
<i>Supplemental disclosures:</i>		
None		

See accompanying notes to financial statements

Massachusetts Immigrant and Refugee Coalition, Inc.

Notes to Financial Statements

June 30, 2005

1. *Organization*

Massachusetts Immigrant and Refugee Coalition, Inc. (MIRA or the organization) is a nonprofit organization incorporated under the laws of the Commonwealth of Massachusetts on December 14, 1987. The organization is dedicated to advocacy and promotion of the rights, privileges and opportunities of immigrants and refugees. To this end, MIRA seeks to bring together individuals and organization to help in shaping and evolving just, equitable and non-discriminatory policies as they relate to refugees, immigration and citizenship. Activities organized by MIRA include dissemination of information relating to United States immigration, refugee and citizenship policies; facilitation of co-operative educational and other related activities between members and all interested groups; education and empowerment of immigrants and refugees and participation in national and state conferences.

Programs and services provided by MIRA consist of the following:

Training & Education: This is designed to prepare members for service to their constituencies through training in various skills

Policy and Analysis: Dissemination of such analysis equip stakeholders with the understanding of Federal, State and Local authorities policies' impact on the immigrant and refugee communities.

Organization and Leadership: This program focuses on organizing, equipping and empowering of identified local immigrant leaders for advocacy and leadership roles.

Summary of Significant Accounting Policies

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

Basis of Presentation - Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, MIRA 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 also adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received or pledged are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Revenue and Expenses - Contributions received or receivable are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Massachusetts Immigrant and Refugee Coalition, Inc.

Notes to Financial Statements - *continued*
June 30, 2005

1. *Organization - continued*

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Interest revenue is recognized when earned. Expenses are recognized when incurred.

Fixed Assets - Fixed assets are carried at cost or, if obtained by donation, fair value of the asset at the date of donation. They are depreciated using the straight - line method over their estimated useful lives. It is MIRA's policy to capitalize all furniture and equipment purchases valued over \$500.

Income Tax Status - MIRA is exempt from 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 that is not a private foundation under section 509(a)(2).

Cash and Cash Equivalents - For purposes of the statement of cash flows MIRA considers all highly liquid investments available for current use with initial maturity of three months or less to be cash equivalents.

Concentration of Credit

Financial instruments that potentially subject MIRA to concentration of credit risk consist principally of temporary cash investments and contributions receivable. MIRA places its temporary cash investment with a financial institution and the investment is uninsured. Concentration of credit risk with respect to contributions receivable are limited due to the small size of the outstanding balance.

Estimates and Assumptions - The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Massachusetts Immigrant and Refugee Coalition, Inc.

Notes to Financial Statements - *continued*
June 30, 2005

2. *Cash and Short-term Investments*

MIRA maintains cash and short term investment accounts with various financial institutions with the following balances as of June 30, 2005 and 2004:

	2005	2004
Wainwright Bank	\$ 47,998	85,897
Calvert Group Investment	<u>165,892</u>	<u>141,152</u>
Total	<u>\$ 213,890</u>	<u>\$ 227,049</u>

The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. As of June 30, 2005, MIRA's investment balance at Calvert Investments is uninsured.

3. *Property, Plant and Equipment*

Leasehold improvement and equipment consist of the following:

Property, plant and equipment	2005	2004
Office equipment	\$ 62,387	\$ 58,383
Leasehold improvements	<u>11,119</u>	<u>4,621</u>
Total	73,506	63,004
Less: Accumulated depreciation	<u>(61,748)</u>	<u>(55,896)</u>
Net property and equipment	<u>\$ 11,758</u>	<u>\$ 7,108</u>

Depreciation expense for the years ended 2005 and 2004 are \$5,852 and \$1,922 respectively.

Massachusetts Immigrant and Refugee Coalition, Inc.

Notes to Financial Statements - *continued*
June 30, 2005

4. *Operating Leases*

MIRA has operating leases for mailing, copier equipments and office space. The mailing and copier equipments leases expire in 2010 while the office space lease expires on September 30, 2007. For the year ended June 30, 2005 total lease expense under these arrangements amounted to \$51,726.

Minimum future rental payments under noncancellable operating leases having remaining terms in excess of one year as of June 30, 2005 for each of the next five years and in the aggregate are:

	Mailing Equipment	Copier	Office space	Total
June 30,				
2006	\$ 2,724	\$ 4,524	\$ 45,356	\$ 52,604
2007	2,724	4,524	45,356	52,604
2008	2,724	4,524	11,339	18,587
2009	2,724	4,524	-	7,248
2010	<u>2,384</u>	<u>4,147</u>	<u>-</u>	<u>6,531</u>
Total	<u>\$13,280</u>	<u>\$ 22,243</u>	<u>\$ 102,051</u>	<u>\$137,574</u>

5. *Retirement Plan:*

MIRA maintains a non contributory simple employee pension plan (SEPP). Annual contribution to the plan is 5% of employees' annual salaries. Qualification for the plan requires two years of continuous employment with the organization. In addition, MIRA offers a tax deferred annuity plan for participating employees to make non-matching contributions. Contributions to this plan are made through payroll deductions as directed by participants. Contributions to the pension plan for the years ended 2005 and 2004 were \$8,782 and \$0 respectively.

Massachusetts Immigrant and Refugee Coalition, Inc.

Notes to Financial Statements - *continued*
June 30, 2005

6. *In-kind Contributions*

In-kind revenue and expenses represent donated services to MIRA. Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by MIRA. During the years ended June 30, 2005 and 2004, in-kind contributed revenue and related expenses consisted of the following:

	<u>Revenue</u>	
	<u>2005</u>	<u>2004</u>
Contributed services	<u>\$ 35,200</u>	<u>\$ 19,265</u>
Total	<u>\$ 35,200</u>	<u>\$ 19,265</u>
	<u>Expenses</u>	
Program support	<u>\$ 35,200</u>	<u>\$ 19,265</u>
Total	<u>\$ 35,200</u>	<u>\$ 19,265</u>

7. *Net Assets*

Temporarily Restricted Net Assets - Temporarily restricted net assets of \$102,400 and \$174,778 as of June 30, 2005 and 2004 respectively consists of contributions to MIRA that are restricted to programs for future years.