



Certified Public Accountant

Coaí, Inc.
Single Audit Report
Fiscal Year ending June 30, 2008

To the Board of Directors of
Coaí, Inc.
PO Box 8634
San Juan, PR. 00910-0634

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statement of financial position of Coaí, Inc. (a nonprofit organization) as of June 30, 2008, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the 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 Coaí, Inc. as of June 30, 2008, 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.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 6, 2009, on my consideration of Coaí, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audit.



My audit was conducted for the purpose of forming an opinion on the basic financial statements of Coaí, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Jaime Cebollero
Jaime Cebollero

Certified Public Accountant

San Juan, Puerto Rico
February 6, 2009
The CPA stamp # 2397228
Was affixed to the original
of this report



Coai, Inc.
Statement of Financial Position
June 30, 2008

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<u>Assets</u>	<u>2008</u>
Current Assets:	
Cash	\$ 32,689
Accounts receivable	7,175
Grants receivable	40,537
Prepaid Expense	8,395
Total Current Assets	88,795
Property and Equipment, net	22,364
Total Assets	\$ 111,160
<u>Liabilities and Net Assets</u>	
Current liabilities:	
Accounts Payable	\$ 94,430
Total Current Liabilities	94,430
<u>Net Assets</u>	
Permanently Restricted	16,730
Total Liabilities and Net Assets	\$ 111,160

The accompanying notes are an integral part of these financial statements.



Coaí, Inc.
Statement of Activities
For the year ended on June 30, 2008

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	Vigilancia Fund	Sev Fund	CDC Ache Fund	CDC Tanama Fund	General Fund	Consolidated
Revenues:						
Federal Awards	50,517	-	297,296	222,718	-	\$ 570,530
Local Government	-	85,958	-	-	28,500	114,458
Unrestricted	-	-	-	-	3,064	3,064
Total Revenues	<u>50,517</u>	<u>85,958</u>	<u>297,296</u>	<u>222,718</u>	<u>31,564</u>	<u>\$ 688,052</u>
Expenses:						
Personnel	22,394	61,169	146,420	85,543	3,550	\$ 319,075
Fringe Benefits	-	9,019	28,478	16,245	1,980	55,723
Test	13,850	-	2,430	-	-	16,280
Preventive and Educational Supplies	139	3,190	7,000	6,484	-	16,813
Promotional Material	-	-	4,993	9,134	-	14,127
Incentives	13,650	140	7,500	3,229	50	24,569
Printing and Production	-	732	2,000	584	-	3,316
Office Supplies	18	1,066	1,744	1,169	-	3,997
Travel Expenses	450	1,910	15,103	26,900	3,510	47,873
Depreciation Expense	-	-	-	-	18,193	18,193
Insurance	-	-	-	-	3,558	3,558
Equipment	-	-	2,373	7,451	-	9,824
Accounting Services	-	6,452	22,750	16,550	3,000	48,752
Rent Expense	-	-	23,405	23,500	1,000	47,905
Other Operating Expenses	16	2,280	33,099	31,045	13,040	79,480
Total Expenditures	<u>50,517</u>	<u>85,958</u>	<u>297,296</u>	<u>227,833</u>	<u>47,882</u>	<u>\$ 709,485</u>
Change in Net Assets	-	0	(0)	(5,115)	(16,318)	\$ (21,433)
Capitalized Equipment	-	-	2,320	2,430	-	4,750
Transfer in (out)						
Donated Equipment	-	-	(2,320)	(2,430)	4,750	-
Net Change in Assets	<u>-</u>	<u>0</u>	<u>(0)</u>	<u>(5,115)</u>	<u>(11,568)</u>	<u>(16,683)</u>
Net Assets at Beginning of Year	-	-	-	5,115	28,298	33,413
Net Assets at End of Year	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ 16,730</u>	<u>\$ 16,730</u>

The accompanying notes are an integral part of these financial statements.



Coai, Inc.
Statement of Cash Flows
For the year ended on June 30, 2008

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	<u>2007</u>
Cash Flows From Operating Activities:	
Decrease in net assets	\$ (16,683)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	18,193
Change in assets and liabilities:	
Decrease in accounts receivable	10,561
Decrease in prepaid expenses	888
Increase in accounts payable and accrued liabilities	9,533
Total adjustments	<u>39,175</u>
Net Cash Provided By Operating Activities	<u>\$ 22,492</u>
Net Cash Flows used by Investing Activities:	
Purchase of Property and Equipment	<u>(4,750)</u>
Net increase in cash	\$ 17,742
Cash at beginning of year	<u>14,947</u>
Cash at end of year	<u><u>\$ 32,689</u></u>

The accompanying notes are an integral part of these financial statements.



Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Coaí, Inc. is a non profit organization incorporated under the Laws of the Commonwealth of Puerto Rico on February 2, 1992. Its basic objectives are to provide educational services to the general public of Puerto Rico, aimed at the prevention of physical, mental and emotional disease, with emphasis on HIV infection, and all factors, directly or indirectly related with the same. Some of the services provided are as follows:

1. Work shops on the prevention of HIV directed to individuals as well as to groups.
2. Work shops on safe sex.
3. Work shops in the prevention of HIV directed to children in pre-school as well as school ages.
4. Work shops to health professionals, school personnel, private professionals, community organizations and other interested groups.
5. Confidential counseling before and after HIV test.
6. Counseling and referral services, etc.

Property and equipment

Property and equipment are stated at cost, in the case of donated property, it is recorded at market value. The assets are depreciated by the use of the straight-line method over their estimated useful life.

Grants Receivable

Grants receivable as of June 30, 2008, are service related and represent pending collections from the Commonwealth of Puerto Rico Department of Health and the federal government.



Coaí, Inc.
Notes to Financial Statements
June 30, 2008

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. The Organization had no temporarily or permanently restricted net assets for the yeas ended June 30, 2008.

Uses of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affects certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

As a non profit organization, the corporation has applied for and received tax exemption under both, the Internal Revenue Code and the Puerto Rico Internal Revenue Code. In addition, in June 1993, the company was granted a state tax exemption on income tax under the provisions of Section 101 (6) of the Puerto Rico code.

Unrestricted Net Assets

Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor imposed stipulations that may or will be met either by actions of the organization 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.



Permanently Restricted Net Assets

Net Assets subject to donor imposed stipulations that they be maintained permanently by the organization. Generally the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

Note 2 - Cash

Restricted Cash	\$	32,689
Represented by cash that maintains donors restrictions.		

Note 3 – Lease Commitment

The Company conducts its operations in leased facilities with a monthly payments of \$ 3,000, \$800 and \$ 100.

Note 4 - Property and Equipment

Property and equipment consist of:

<u>Description</u>	<u>2008</u>	<u>Estimated Useful Lives</u>
Office equipment	\$ 139,590	3-5 years
Improvements	3,325	10 years
	142,915	
Less: accumulated depreciation	(120,552)	
Property and Equipment, Net	\$ 22,364	



Coaí, Inc.
Notes to Financial Statements
June 30, 2008

Note 5 – Funds Held as Agency

Due to the fact they are agency transactions, all activities is recorded in liability accounts rather than in the statement of activities.

