

**Community Futures Collective
Notes to Financial Statements
December 31, -06**

Summary of Significant Accounting Policies

Organization

Community Futures Collective is a non-profit umbrella organization serving numerous non-profit organizations annually by assisting in infrastructure development, fundraising, and providing fiscal sponsorship. The decisions to fiscally sponsor projects are made on an individual basis and no fiscal sponsorship fees are charged. The goal is to seed new grassroots organizations that can become independent within a 2 year time frame.

Community Futures Collective was formed February 15, -01 and received incorporation from the State of California on June 13, -01. The Internal Revenue Service ruled Community Futures Collective as an organization exempt from federal income taxes on related income on January 16, -02, and the State of California issued Franchise Tax Board exempt ruling on July 30, -01.

The primary focus of Community Futures Collective at year 2001 inception has been the National Coalition to Free the Angola Three. This grassroots organization is dedicated to providing legal support, media coverage and personal enrichment to three men that have been falsely imprisoned in solitary confinement in excess of 35 years at Louisiana State Prison. The first prisoner was released via efforts of the Coalition in 2001. This case involves issues that effect many prisoners being held in long-term solitary confinement with no due process and thus has the potential to affect at lease 200 more prisoners. The case involves and evolves contemporary issues of racism and social inequity around these politically held prisoners, their supporters of several thousand persons and their families dealing with long-term incarceration.

Other projects are as follows:

*The Angola 3 Film Project – documentary film about case
MG/LEF grants to 45 non-profits for programs in 2004 and 6 non-profits in
2005, for performances, exhibits, festivals, books, films and
advocacy activities.*

*Reweaving History – documentation of the collection of California Indian
baskets*

*Expressions Gallery – support family prison visits and community
outreach work*

*Black Mesa Project – food and clothing for Navajo protesting Peabody
Coal on Black Mesa*

*Garden Project – stipends to 4 ex-prisoners developing raised vegetable
beds and orchards*

*SNAG – Seventh Native American Generation youth magazine and
website featuring first person essays, poetry, photographs and
illustrations created by Native American youth*

*EOSO – Each One, Save One project by SF Bayview Newspaper to
provide resource information to evacuees of Hurricane's Katrina
and Rita.*

*Common Ground Collective was founded directly after Hurricane Katrina
to develop relief services, medical clinics, advocacy and support for
those affected by the Hurricanes.*

Mission

The mission of Community Futures Collective is inherently charitable. Community Futures Collective encourages new and emerging organizations to non-profit corporation status by promoting and enabling exempt from income tax rulings from the Internal Revenue Service and the respective State that the non-profit is located in.

Status

Community Futures Collective is recognized by the Internal Revenue Service as an organization exempt from federal income taxes on related income under Section 501c(3) of the Internal Revenue Code, and respectively, the State of California Section 23701 d.

Basis of Accounting

Community Futures Collective reports on the limited accrual basis of accounting. Grants are recorded as revenue when grant commitment documentation is received.

Public Support and Revenue

The major source of revenues for the Community Futures Collective was from Grants and Donations. Additional revenues were from Earned Revenues and In- Kind Contributions.

Estimates

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

Cash & Cash Equivalents

For purposes of reporting the statement of cash flows, Community Futures Collective includes all cash accounts that are not subject to withdrawal restrictions as cash and cash equivalents on the accompanying statement of Financial Position.

Functional Allocation of Expenses

The costs of performing Community Futures Collective's activities have been summarized on the Statement of Functional Expense with emphasis on the programmatic expenditures in fulfillment of Community Futures Collective's exempt purpose.

Equipment and Furniture

Vehicles, Equipment, Computers, Monitors and Printers, Furniture, Fixtures and Appliances are presented in the financial statements at acquisition cost. Depreciation is provided on the straight-line method over the estimated useful life ranges of three to five years.

Office Space

Community Futures Collective rents office space at 331 Atlantic Avenue, New Orleans, LA. Additional offices have been rented and maintained at the following site, 215 N. Jefferson Davis Parkway, New Orleans, LA.

Medical Clinics

Community Futures Collective rents medical clinic office space at 522 Sn Claude Ave, New Orleans, LA. The original Common Ground Clinic, started days after the hurricane in Algiers, has become its own non-profit and can be accessed via www.cghc.org.

Note 1. Current Assets – Checking/Savings Accounts**Community Futures Collective**

US Bank – Operations	197	
WestAmerica Bank – Community Futures Collective	22,762	
Schwab Account	<u>1,295</u>	
Total Community Futures Collective Checking		24,254

Common Ground

WestAmerica Bank – Common Ground Collective	87,616	
Capital One – “Main Account”	6,375	
Capital One – “Legal Defense”	1,938	
Capital One – “Meg Perry Project”	2,530	
Capital One – “Lower 9 th Ward”	318	
Capital One – “Woodlands”	7,150	
Capital One – “Lower 9 th Health Clinic”	67,045	
Capital One – “Concert Series”	2,075	
Capital One – “Kids & Communities”	6,278	
Capital One – “Volunteer Center/Kitchen”	4,598	
Capital One – “Community Bike Shop”	100	
Capital One – “Legal Advocacy”	3,049	
Capital One – “New Building Center”	260	
Hope Bank – Savings	<u>3,000</u>	
Total Common Ground Checking and Savings		<u>192,332</u>

Total Current Assets – Checking/Savings Accounts 216,586

Note 2. Depreciation

Computers, Vehicles, Equipment, and Appliances are recorded at cost on acquisition date.

Computers	27,084
Accumulated Depreciation	<u>(24,377)</u>
Net Computers	2,707

Vehicles	47,400
Accumulated Depreciation	<u>(3,260)</u>
Net Vehicles	44,140

Equipment,	43,571
Accumulated Depreciation	<u>(3,112)</u>
Net Furniture & Fixtures	40,459

Appliances	748
Accumulated Depreciation	<u>(107)</u>
Net Appliances	641

Note 3. Liabilities

Liabilities are as follows:

Accounts Payable	42,478
Payroll Taxes Payable	11,864
Woodlands Rental Deposits Payable	<u>4,000</u>
Total Liabilities	58,342

Note 4. Activities

Community Futures Collective acts as an educational and programming resource for emerging non-profits and grassroots organizations providing year-round sponsorship, development information and programming assistance.

- ◆ Woodlands Apartment Complex – 350 unit building initially to be purchased by Common Ground. However, after 150 apartments were rehabilitated the owner, Anthony Reginelli reneged on the agreement and sold the building to private developers. Common Ground lost approximately \$750,000 in payroll, landscaping, electrical, plumbing and carpentry expenditures and Common Ground is still trying to recover from this unexpected manipulation and theft of the non-profit's funds. Community Futures Collective (CFC) submitted a 1099 Miscellaneous to Mr. Reginelli and the Internal Revenue in the amount of \$750,000 representing the dollar amount spent for Reginelli's personal benefit on the Woodlands property. Rental income received \$151,501. 901,501
- ◆ Common Ground Relief – Second year of CFC sponsorship provided housing and meals for over 12,000 volunteers. 450,000 individuals through 9 distributions centers were supplied with food, water, clothing, hygiene and medical supplies, legal advocacy and numerous other benefits. Three free health clinics were established serving over 15,000 residents, workers and volunteers. Common Ground cleaned and gutted over 750 homes and 128 daycare centers, schools, offices, businesses, non-profits, parks and streets. Set-up free media centers for phone, fax and internet access. Established a Kids & Community Project that provides after school programs, teen activities, childcare, summer camp and a free breakfast program. Established green environmental programs including microorganism based mold removal, wetlands restoration, soil bioremediation, and community garden restoration. 612,930
- ◆ National Coalition to Free the Angola 3 – This is the sixth year of administering the A3 coalition. Funds were raised and used primarily for the preparation of Herman Wallace's post-conviction hearing taking place in September 2006. Funds were used for investigative fees as well as legal fees. Approximately \$10,000 was spent on support of prisoners families and travel for supporters to attend the September hearing. 114,501
- ◆ EOSO – Each One Save One was initiated by Katrina survivor, CC Campbell-Rock and SF Bayview editor, Mary Ratcliffe in order to gather and disseminate necessary information for relief and rebuild application for Katrina evacuees around the country. 35,200
- ◆ MG/LEF - Small grants were made from funds received from LEF Board President in order to insure that grant recipients unable to accept stock donations would be able to process grants made. 12,975
- ◆ SNAG – Seventh Native American Generation received funds for publishing of the 2006 edition of SNAG - a youth driven Native American publication. 5,000

Note 5. Woodlands Apartment Complex

Expenditures for the Woodlands Apartment Complex rehabilitation of 151 units are as follows:

Woodlands Payroll, payroll taxes	171,327
Woodlands Co-op project	73,714
Woodlands admin and management consultants	67,140
CA accountant, admin services, coordinator, director	47,850
Legal	6,780
Woodlands repairs, building materials, plumbing, household	181,909
Building maintenance, landscaping, grounds, security	46,091
Utilities, propane, trash removal	59,536
Communications	50,497
Vehicle repairs, food, lodging, travel	151,657
Printing, office supplies & expense	28,000
Insurance	13,000
Rental deposit refunds	<u>4,000</u>
Total Woodlands Apartment Complex expenditures	901,501

Note 6. Grants and Donations

Cash grants and cash-equivalent donations received are by category and in alphabetical order are as follows:

Governments:	0	0
Foundations:		
American Friends Service Committee	5,000	
Aria Foundation	25,000	
Benzak Foundation	5,000	
Bernice Jenkins Foundation	5,000	
Charity Folks	7,000	
Chiat Foundation	22,000	
Direct Relief International	60,000	
Edwin J Paxton Family Fund	54,720	
Gail Milliken Foundation	5,000	
Goodale Trust	3,000	
Humboldt Area Foundation	2,000	
International Medical Corps	8,004	
LEF Foundation	16,195	
Ms. Foundation	20,000	
Network for Good	77,375	
Nine Lives Foundation	6,000	
Rockefeller Philanthropy	35,000	
Stephen & Tabitha King Foundation	9,000	
Strange Invisible Perfumes Foundation	2,000	
The Greater New Orleans Foundation	50,000	
Tides Foundation	5,000	
Union Community Fund	5,000	
Warm Foundation	10,000	
We Are You Foundation – Stevie Wonder	40,000	
Foundations & Non-profits <2,000	<u>2,475</u>	
Total Foundation grants		479,769

<i>University/College/Schools:</i>		
<i>Gettysburg College Operating Fund</i>	5,175	
<i>Oberlin College</i>	4,725	
<i>Various school donations</i>	<u>3,200</u>	
<i>Total University/College/Schools</i>		13,100
<i>Business/Corporations:</i>		
<i>Applause Theatrical Workshops</i>	10,000	
<i>Computer Associates International</i>	2,000	
<i>Delsener Slater Enterprise, Inc.</i>	4,059	
<i>Magnificent 7 Corp-House of Blues</i>	4,500	
<i>Pilot Boy Productions, Inc</i>	150,000	
<i>Business/Corporations <2,000</i>	<u>1,011</u>	
<i>Total Business/Corporations</i>		171,570
<i>Individuals:</i>		
<i>Alex Ray</i>	10,000	
<i>Andrew F. Podell</i>	2,500	
<i>Anita Roddick</i>	107,000	
<i>Bruce & Patty Springsteen</i>	100,000	
<i>Gerry Milliken</i>	2,000	
<i>Sarah McCay</i>	5,000	
<i>Sufjan Stevens</i>	12,500	
<i>Thomas Durst</i>	20,000	
<i>Individual Donations <2,000</i>	<u>578,805</u>	
<i>Individual donations</i>		<u>837,805</u>
<i>Total Grants and Donations</i>		1,502,244

Note 7. Earned Revenues

Earned Revenues are categorized as follows:

<i>Community Futures Collective</i>		
<i>AICLS Consulting Fees</i>	12,750	
<i>King's Freeline Candies</i>	120	
<i>Stock Value Increase and Interest</i>	<u>100</u>	12,970
<i>Common Ground</i>		
<i>Mid City Contract Income</i>	21,375	
<i>Woodlands Rental Income</i>	151,501	
<i>Other Income</i>	<u>398</u>	<u>173,274</u>
<i>Total Earned Revenues</i>		186,244

Note 8. Grants, Allocations and Donations

Grants, allocations and donations paid out are listed in alphabetical order as follows:

<i>African American Art and Culture</i>	<i>1,000</i>
<i>Critical Response</i>	<i>1,500</i>
<i>Freedom Archives</i>	<i>250</i>
<i>Global Exchange</i>	<i>2,000</i>
<i>Heyday Institute</i>	<i>5,000</i>
<i>Puerto Rican Cultural Center</i>	<i>1,000</i>
<i>Seventh Native American Generation</i>	<i>6,000</i>
<i>The Garden Project</i>	<i>1,000</i>
<i>Voice Collective</i>	<i>325</i>
<i>Miscellaneous</i>	<u><i>1,350</i></u>

Total Grants, Allocations and Donations *19,425*

Note 9. Legal Fees

Legal and investigative fees are as follows:

<i>Legal Fees</i>	<i>30,275</i>
<i>Investigation Fees</i>	<u><i>12,500</i></u>

Total Legal Fees *42,775*
