

CYPRUS FRIENDSHIP PROGRAM INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

CYPRUS FRIENDSHIP PROGRAM, INC.

CONTENTS

Financial Statements

Statement of Activities and Changes in Net Assets..... 1

Statement of Financial Position 2

Statement of Cash Flows..... 3

Notes to Financial Statements 4

Independent Auditors' Report 6

CYPRUS FRIENDSHIP PROGRAM INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31,

2012

Support and Revenue

Contributions \$ 154,358

Total support and revenue **154,358**

Expenses:

Program Services

Teen Travel 109,010

Chaperon Travel 11,303

Coordinator Travel 2,205

Travel Meals 702

Travel Insurance 3,412

U.S. Program Expenses 4,109

Supporting Services

Office and Administrative 2,878

Total expenses **133,619**

Increase in net assets **20,739**

Net assets, beginning **4,265**

Net assets, ending **\$ 25,004**

See accompanying notes and accountants' report.

CYPRUS FRIENDSHIP PROGRAM INC.

STATEMENT OF FINANCIAL POSITION

Year ended December 31,

2012

Assets

Current assets:

Cash in bank	\$	25,004
Total current assets		25,004
Total Assets		25,004

Net Assets:

Unrestricted		25,004
Total net assets		25,004
Total Liabilities and Net Assets	\$	25,004

See accompanying notes and accountants' report.

CYPRUS FRIENDSHIP PROGRAM INC.

STATEMENT OF CASH FLOWS

Year ended December 31,

2012

Cash flows from operating activities:

Change in net assets \$ 20,739

Adjustments to reconcile change in net assets
to net cash used by operating activities: -

Net cash provided by operating activities **20,739**

Net increase in cash **20,739**

Cash, beginning of year **4,265**

Cash, end of year **\$ 25,004**

See accompanying notes and accountants' report.

CYPRUS FRIENDSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

Note A Summary of Significant Accounting Policies

Nature of Activities

Cyprus Friendship Program Inc. (a not-for-profit organization) was established to promote understanding, trust, friendship and peace on the divided Cyprus Island. Cyprus Friendship Program Inc. raises funds to enable American families to host pairs of Greek and Turkish Cypriot teens in the summer while providing fun team building activities for the teens to participate in together. Cyprus Friendship Program Inc. is an all volunteer organization.

Basis of Accounting

The financial statements of the Cyprus Friendship Program Inc. have been prepared on the accrual basis of accounting in conformity with standards promulgated by the American Institute of Certified Public Accountants.

Basis of Presentation

Established standards for external financial reporting by not-for-profit organizations require that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. A description of the net asset categories follows:

Unrestricted net assets: To be used for continuing operations of CFP.

Temporarily restricted net assets: Represent resources currently available for use, but expendable only for those operating purposes specified by the donor.

Permanently restricted net assets: Represents contributions restricted to investment in perpetuity, the income from which is expendable for the continuing operations.

Cyprus Friendship Program Inc. has only unrestricted net assets.

Contributions

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. When a temporary 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.

CYPRUS FRIENDSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

Note A Summary of Significant Accounting Policies (continued)

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 these estimates.

Note B Income Taxes

The Organization is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management is not aware of any circumstances or transactions that would jeopardize its tax exempt status.

Note C Contributions In-Kind

Many people have contributed significant amounts of time to the activities of the Organization without compensation. The Organization has also been provided in-kind donations by host families and various members of the community. These items are not reflected in the financial statements. If the items were recorded as additional support received, there would be offsetting expenses recorded.

Note D Date of Management's Review

Management has evaluated subsequent events through September 16, 2013, the date the financial statements were available to be issued.



GEORGEN SCARBOROUGH

ASSOCIATES, P C

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

KATHY J. GEORGEN, CPA
D.H. SCARBOROUGH, CPA

Board of Directors
Cyprus Friendship Program, Inc.

We have audited the accompanying financial statements of Cyprus Friendship Program, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cyprus Friendship Program, Inc. as of December 31, 2012 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Georgen Scarborough Associates, P.C.

Vienna VA

September 16, 2013