

CYPRUS FRIENDSHIP PROGRAM INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 and 2013

CYPRUS FRIENDSHIP PROGRAM, INC.

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CYPRUS FRIENDSHIP PROGRAM INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	2014		2013	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
				Total
Support and Revenue				
Contributions	\$ 179,871	\$	\$ 180,383	\$ 180,383
Designated contributions		-		95,000
Released from restriction	45,000	(45,000)		-
Total support and revenue	224,871	(45,000)	180,383	275,383
Expenses:				
Program Services				
Teen travel	129,786		123,613	123,613
Chaperone travel	16,204		19,778	19,778
Coordinator travel	790		1,588	1,588
Executive director travel	1,542		980	980
Travel insurance	4,480		5,356	5,356
U.S. Program Expenses	5,266		8,836	8,836
Supporting Services				
Fundraising	1,006		2,595	2,595
Office and Administrative	15,156		9,937	9,937
Total expenses	174,230	-	172,683	172,683
Increase (decrease) in net assets	50,641	(45,000)	7,700	102,700
Net assets, beginning	32,704	95,000	25,004	25,004
Net assets, ending	\$ 83,345	\$ 50,000	\$ 32,704	\$ 127,704

See accompanying notes and independent auditors' report.

CYPRUS FRIENDSHIP PROGRAM INC.

STATEMENTS OF FINANCIAL POSITION

<i>Years ended December 31,</i>	2014	2013
Assets		
Current assets:		
Cash in bank	\$ 101,795	\$ 46,768
Accounts receivable	16,407	6,573
Unconditional promises to give	-	25,000
Prepaid expenses	143	-
Total current assets	118,345	78,341
Other assets		
Unconditional promises to give	25,000	50,000
Total other assets	25,000	50,000
Total Assets	143,345	128,341
Liabilities and net assets		
Current liabilities:		
Accounts payable	-	637
Deferred Revenue	10,000	-
Total current liabilities	10,000	637
Net Assets:		
Unrestricted	83,345	32,704
Temporarily restricted	50,000	95,000
Total net assets	133,345	127,704
Total Liabilities and Net Assets	\$ 143,345	\$ 128,341

See accompanying notes and independent auditors' report.

CYPRUS FRIENDSHIP PROGRAM INC.

STATEMENTS OF CASH FLOWS

<i>Years ended December 31,</i>	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 5,641	\$ 102,700
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in operating assets and liabilities:		
(Increase) decrease in unconditional promises to pay	50,000	(75,000)
(Increase) decrease in accounts receivable	(9,834)	(6,573)
(Increase) decrease in prepaid expenses	(143)	-
Increase (decrease) in deferred revenue	10,000	-
Increase (decrease) in accounts payable	(637)	637
Net cash provided by operating activities	55,027	21,764
Net increase in cash	55,027	21,764
Cash, beginning of year	46,768	25,004
Cash, end of year	\$ 101,795	\$ 46,768

See accompanying notes and independent auditors' 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 island of Cyprus. Cyprus Friendship Program Inc. raises funds to enable American families to host pairs of Greek Cypriot 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 the Organization.

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 no permanently restricted net assets at this time.

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 were recorded as additional support received with offsetting expenses recorded.

Note D Date of Management's Review

Management has evaluated subsequent events through February 20, 2015, the date the financial statements were available to be issued.

Note E Unconditional Promises to Give

The Organization has elected the fair value option as prescribed by FASB ASC 825-10 for recording unconditional promises to give. At December 31, 2014 unconditional promises to give are expected to be collected as follows: \$25,000 in 2016.

Note F Temporarily Restricted Assets

Unconditional promises to give described in Note E above are also designated for future summer programs.



GEORGEN SCARBOROUGH

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cyprus Friendship Program, Inc.

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

We have audited the accompanying financial statements of Cyprus Friendship Program, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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.

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, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Georgen Scarborough Associates, P.C.

February 20, 2015