

CYPRUS FRIENDSHIP PROGRAM INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 and 2014

CYPRUS FRIENDSHIP PROGRAM, INC.

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CYPRUS FRIENDSHIP PROGRAM INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	2015		2014	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Support and Revenue				
Contributions	\$ 174,398	\$ -	\$ 179,871	\$ -
Dividend income	31	31	-	-
Unrealized gain	147	147	-	-
Released from restriction	25,000	(25,000)	45,000	(45,000)
Total support and revenue	199,576	(25,000)	224,871	(45,000)
Expenses:				
Program Services				
Teen travel	111,542	-	129,786	129,786
Chaperone travel	18,242	-	16,204	16,204
Coordinator travel	864	-	790	790
Executive director travel	745	-	1,542	1,542
Travel insurance	2,825	-	4,480	4,480
U.S. Program Expenses	7,614	-	5,266	5,266
Supporting Services				
Fundraising	1,059	-	1,006	1,006
Office and Administrative	11,509	-	15,156	15,156
Total expenses	154,400	-	174,230	174,230
Increase (decrease) in net assets	45,176	(25,000)	50,641	(45,000)
Net assets, beginning	83,345	50,000	32,704	95,000
Net assets, ending	\$ 128,521	\$ 25,000	\$ 83,345	\$ 50,000
				\$ 133,345

See accompanying notes and independent auditors' report.

CYPRUS FRIENDSHIP PROGRAM INC.

STATEMENTS OF FINANCIAL POSITION

<i>Years ended December 31,</i>	2015	2014
Assets		
Current assets:		
Cash in bank	\$ 124,755	\$ 101,795
Accounts receivable	8,182	16,407
Prepaid expenses	260	143
Total current assets	133,197	118,345
Other assets		
Investments	20,563	-
Unconditional promises to give	-	25,000
Total other assets	20,563	25,000
Total Assets	\$ 153,760	\$ 143,345
Liabilities and net assets		
Current liabilities:		
Accounts payable	239	-
Deferred Revenue	-	10,000
Total current liabilities	239	10,000
Net Assets:		
Unrestricted	128,521	83,345
Temporarily restricted	25,000	50,000
Total net assets	153,521	133,345
Total Liabilities and Net Assets	\$ 153,760	\$ 143,345

See accompanying notes and independent auditors' report.

CYPRUS FRIENDSHIP PROGRAM INC.

STATEMENTS OF CASH FLOWS

<i>Years ended December 31,</i>	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 20,176	\$ 5,641
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized loss (gain) on investments	(147)	-
Change in operating assets and liabilities:		
(Increase) decrease in unconditional promises to pay	25,000	50,000
(Increase) decrease in accounts receivable	8,225	(9,834)
(Increase) decrease in prepaid expenses	(117)	(143)
Increase (decrease) in deferred revenue	(10,000)	10,000
Increase (decrease) in accounts payable	239	(637)
Net cash provided by operating activities	43,376	55,027
Cash flows from investing activities:		
Donated investments	(20,416)	-
Net cash used by investing activities	(20,416)	-
Net increase in cash	22,960	55,027
Cash, beginning of year	101,795	46,768
Cash, end of year	\$ 124,755	\$ 101,795

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. Tax years before 2012 are no longer subject to Federal tax examinations.

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 10, 2016, 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, 2015 unconditional promises to give have been collected in full, no amounts are due.

Note F Temporarily Restricted Assets

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

CYPRUS FRIENDSHIP PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS

Note G Investments

The Organization's investments in marketable securities with readily determinable fair market values are valued at their fair market values in the accompanying statements of financial position. The related dividends, unrealized gains and losses are included in the change in net assets in the statements of activities.

The Organization's investments are valued using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy defines three levels of inputs, giving the highest priority to unadjusted quoted prices in active markets for identical assets and the lowest priority to unobservable inputs.

Investments valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Investments valued using Level 2 inputs are based on observable market-based inputs other than quoted prices for identical assets in active markets. Investments valued using Level 3 inputs are based on management's assumptions and unobservable inputs.

The Organization's investments in equity securities are all measured at fair value as of December 31, 2015 on a recurring basis, using Level 1 inputs.



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, 2015 and 2014, 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, 2015 and 2014, 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, PC
February 10, 2016