

Utah Council for Citizen Diplomacy

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

For the Years Ended December 31, 2015 and 2014



TABLE OF CONTENTS

Independent Accountant’s Review Report	3
Financial Statements:	
Statements of Financial Position.....	4
Statements of Activities.....	5
Statements of Cash Flows.....	6
Notes to the Financial Statements	7-10



Independent Accountant's Review Report

To the Board of Directors

UTAH COUNCIL FOR CITIZEN DIPLOMACY

We have reviewed the accompanying financial statements of **Utah Council for Citizen Diplomacy** (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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Larson & Company PC

Salt Lake City, Utah
June 14, 2016

UTAH COUNCIL FOR CITIZEN DIPLOMACY
 Statements of Financial Position
 As of December 31, 2015 and 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 105,322	\$ 155,802
Pledges receivable	4,459	-
Prepaid expenses	2,699	1,012
TOTAL CURRENT ASSETS	<u>112,480</u>	<u>156,814</u>
 TOTAL ASSETS	 <u>\$ 112,480</u>	 <u>\$ 156,814</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accrued expenses	\$ 11,858	\$ -
TOTAL CURRENT LIABILITIES	<u>11,858</u>	<u>-</u>
 NET ASSETS		
Unrestricted	<u>100,622</u>	<u>156,814</u>
TOTAL NET ASSETS	<u>100,622</u>	<u>156,814</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 112,480</u>	 <u>\$ 156,814</u>

See Accompanying Notes and Accountants' Review Report

UTAH COUNCIL FOR CITIZEN DIPLOMACY

Statements of Activities

For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CHANGE IN UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUES		
Contributions	\$ 101,124	\$ 106,967
Grants	138,801	147,336
Special events, net of direct benefit to donors of \$11,670 and \$14,218 for 2015 and 2014, respectively	8,398	13,063
In-kind contributions	22,131	22,131
Program revenues	21,604	19,801
Other revenues	15,263	6,997
TOTAL SUPPORT AND REVENUES	<u>307,321</u>	<u>316,295</u>
EXPENSES		
Program expenses	284,168	231,790
Management and general	58,953	49,004
Fundraising	20,392	23,901
TOTAL EXPENSES	<u>363,513</u>	<u>304,695</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(56,192)</u>	<u>11,600</u>
NET ASSETS, BEGINNING OF YEAR	<u>156,814</u>	<u>145,214</u>
NET ASSETS, END OF YEAR	<u>\$ 100,622</u>	<u>\$ 156,814</u>

See Accompanying Notes and Accountants' Review Report

UTAH COUNCIL FOR CITIZEN DIPLOMACY

Statements of Cash Flows

For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (56,192)	\$ 11,600
(Increase) decrease in operating assets:		
Prepaid expenses	(1,687)	(1,012)
Pledges receivable	(4,459)	-
Increase (decrease) in operating liabilities:		
Accrued expenses	11,858	(2,822)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(50,480)	7,766
NET INCREASE (DECREASE) CASH AND CASH		
EQUIVALENTS	(50,480)	7,766
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	155,802	148,036
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 105,322	\$ 155,802

SUPPLEMENTAL INFORMATION

Cash paid:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

UTAH COUNCIL FOR CITIZEN DIPLOMACY

Notes to the Financial Statements

For the Years ended December 31, 2015 and 2014

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Utah Council for Citizen Diplomacy (UCCD) is an independent, nonpartisan, nonprofit 501(c)(3) organization dedicated to promoting global understanding and respect between the people of Utah and other nations. Since 1967, UCCD has been Utah's leader in international professional and cultural exchange, and works as a nonprofit sector partner with the U.S. Department of State's International Visitor Leadership Program. Each year, UCCD welcomes nearly 500 emerging leaders from around the world to Utah for short-term professional and cultural exchanges. UCCD is a member of Global Ties U.S. and the Utah chapter of the World Affairs Councils of America (WACA). More information is available at www.utahdiplomacy.org.

Basis of presentation

The financial statement presentation follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958-208. *Presentation of Financial Statements for Not-for-profit Entities*. Under these standards, UCCD is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No temporarily or permanently restricted net assets were held during the years ended December 31, 2015 and 2014, respectively.

UCCD reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted based upon the following criteria:

- **Unrestricted net assets** represent expendable funds available for operations which are not otherwise limited by donor restrictions.
- **Temporarily restricted net assets** consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the organization may spend the funds.
- **Permanently restricted net assets** are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UTAH COUNCIL FOR CITIZEN DIPLOMACY

Notes to the Financial Statements

For the Years ended December 31, 2015 and 2014

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

The organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of credit risk

UCCD maintains its cash and cash equivalent balances at a financial institution located in Salt Lake City, Utah. The deposits may exceed their federally insured limits of \$250,000 established by the Federal Deposit Insurance Corporation. The organization has not experienced any losses related to these accounts and management believes it is not exposed to any significant credit risk on these balances.

Office furniture and equipment, net

Acquisitions of office furniture and equipment in excess of \$500 and all expenditures for repairs and maintenance that materially prolong the useful lives of office furniture and equipment are capitalized. Property and equipment are stated at cost less accumulated depreciation, or if acquired by donation, at estimated fair value at the date of the donation.

Depreciation is computed over the following estimated useful lives using the straight-line method:

<u>Assets</u>	<u>Useful Lives</u>
Office furniture	5 years
Computer equipment	3-5 years

Contributions and in-kind donations

Contributions are recognized when the donor makes a promise to give to that is unconditional and are considered to be available for unrestricted use unless restricted by the donor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported as satisfactions of restrictions.

Donations of property and equipment and goods and services are recorded as support at their estimated fair market value at the date of gift. These donations are reported as unrestricted support unless the donor has restricted the donation for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as temporarily restricted support and reclassified to unrestricted net assets when placed in service.

UTAH COUNCIL FOR CITIZEN DIPLOMACY

Notes to the Financial Statements

For the Years ended December 31, 2015 and 2014

1. **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** **(Continued)**

Contributions and in-kind donations (continued)

Contributions of services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation, are recorded at their fair values when received. None of the services donated to the organization meet the criteria for recording in the financial records of UCCD.

Functional allocation of expenses

The costs of programs and supporting services has been summarized on a functional basis in the statement of activities. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. Management and general costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

Recent accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. This update provides amendments to revenue recognition requirements to ASC Subtopic 605, Revenue Recognition to clarify the principles for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additional disclosures are also required to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This amendment is effective prospectively for non-public companies for reporting periods beginning after December 15, 2013. UCCD does not foresee future adoption of this update will have any material impact on the Company's financial statements.

UTAH COUNCIL FOR CITIZEN DIPLOMACY

Notes to the Financial Statements

For the Years ended December 31, 2015 and 2014

1. **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** **(Continued)**

Income taxes

UCCD qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for federal or state income tax. The organization remains subject to income taxes on net income that is derived from a trade or business, regularly carried on, and not for the exempt purposes for which the organization was granted exemption status. In the opinion of management the organization does not have any unrelated business income subject to taxation.

ASC Topic 740, *Income Taxes*, provides guidance on how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation by management of tax positions taken or expected to be taken in preparation of the organization's tax returns to determine if the positions are more-likely-than-not of being sustained if examined by the taxing authorities. Management has determined there are no uncertain income tax positions. Tax years that remain subject to examination are 2013 forward.

2. **IN-KIND RENT AGREEMENT**

UCCD occupies office space and meeting rooms located on the campus of Westminster College, at no cost to the organization. Under this year-to-year agreement, in-kind contributions and the related expenses totaled \$22,131 for the years ended December 31, 2015 and 2014, respectively.

3. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 14, 2016, which is the date the financial statements were available to be issued, and disclosed all significant subsequent events. No events have occurred subsequent to December 31, 2015 requiring additional recording or disclosure within these financial statements.