

GLOBAL CITIZENSHIP ALLIANCE

FINANCIAL STATEMENTS

Year Ended December 31, 2016



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FINANCIAL STATEMENTS

Year Ended December 31, 2016

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KERN & THOMPSON, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Global Citizenship Alliance

We have reviewed the accompanying financial statements of Global Citizenship Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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.

Kern & Thompson, LLC

Portland, Oregon
February 27, 2017

GLOBAL CITIZENSHIP ALLIANCE
STATEMENT OF FINANCIAL POSITION

December 31, 2016

ASSETS

Cash and cash equivalents	\$ <u>66,757</u>
Total assets	\$ <u><u>66,757</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 1,026
Payroll liabilities	<u>44,800</u>
Total liabilities	<u>45,826</u>
Net assets	
Unrestricted net assets	<u>20,931</u>
Total liabilities and net assets	\$ <u><u>66,757</u></u>

See independent accountants' review report and notes to financial statements.

GLOBAL CITIZENSHIP ALLIANCE

STATEMENT OF ACTIVITIES

Year Ended December 31, 2016

Revenues and other support	
Individual contributions	\$ 5,144
Foundation grants	60,599
Program service revenue	<u>472,327</u>
Total revenues and other support	<u>538,070</u>
Expenses	
Program services	440,042
Management and general	83,238
Development	<u>26,815</u>
Total expenses	<u>550,095</u>
Change in unrestricted net assets	(12,025)
Unrestricted net assets, beginning of year	<u>32,956</u>
Unrestricted net assets, end of year	<u>\$ 20,931</u>

See independent accountants' review report and notes to financial statements.

GLOBAL CITIZENSHIP ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>Total</u>
		<u>Management and General</u>	<u>Development</u>	
Seminar expenses				
Venue rental	\$ 289,814	\$ -	\$ -	\$ 289,814
Faculty travel	15,073	-	-	15,073
Tours and trips	5,597	-	-	5,597
Other program expenses	4,539	-	-	4,539
Other expenses				
Payroll and payroll taxes	107,259	44,692	26,815	178,766
Insurance	-	7,495	-	7,495
Business registration fees	-	199	-	199
Office expenses	-	1,134	-	1,134
Professional services	17,760	22,453	-	40,213
Publications	-	1,211	-	1,211
Communications	-	1,058	-	1,058
Travel	-	4,368	-	4,368
Bank and merchant fees	-	628	-	628
	<u>\$ 440,042</u>	<u>\$ 83,238</u>	<u>\$ 26,815</u>	<u>\$ 550,095</u>

See independent accountants' review report and notes to financial statements.

GLOBAL CITIZENSHIP ALLIANCE

STATEMENT OF CASH FLOWS

Year Ended December 31, 2016

Cash flows from operating activities:	
Change in net assets	\$ (12,025)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in assets:	
Prepaid expenses	2,150
Increase (decrease) in liabilities:	
Accounts payable	1,026
Payroll liabilities	44,800
Net cash provided by (used in) operating activities	<u>35,951</u>
Cash and cash equivalents, beginning of year	<u>30,806</u>
Cash and cash equivalents, end of year	<u><u>\$ 66,757</u></u>

See independent accountants' review report and notes to financial statements.

GLOBAL CITIZENSHIP ALLIANCE
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE A – DESCRIPTION OF ORGANIZATION

The Global Citizenship Alliance (GCA, or the Organization) is an Oregon nonprofit corporation that promotes education for engaged knowledge and responsible action in an interdependent world. GCA is dedicated to providing seminars and programs in the field of Global Citizenship Education: Education focused on preparing students to conduct rewarding and productive lives in the hyper-complex interdependent world of the 21st century and contribute to improving the common global welfare. Global citizenship is defined as awareness of, caring for, and embracing cultural diversity, while promoting social justice and sustainability (regardless of borders), coupled with a sense of responsibility to act. At least initially, these services are offered in the form of seminars, mainly to higher education institutions, both at home and abroad. The activities include programs of varying lengths and formats for college and university students, faculty and administrators. At the beginning, most of the students are from colleges and universities in the United States with many of the seminars offered in Austria, but the program is also available for higher education institutions, students, faculty and administrators from other countries and some seminars are offered in other European countries or the United States.

Funds are provided principally from fees by partner institutions for instruction and other services. Additional sources of revenue can include grants and private contributions. During the year ended December 31, 2016, the Organization incurred program service expenses in the following major categories:

- **Seminars for Faculty & Administrators** – The goal of the seven-day seminars for faculty and administrators is to explore the factors that may either support or restrain a comprehensive approach to global education within colleges and universities and to jointly develop strategies for those teaching within higher education systems on how they can incorporate a more comprehensive approach to global education.
- **Seminars for Students** – The purpose of this program is to provide an intensive seven-day international experience that will allow participants to develop a better understanding of the processes and effects of globalization and to explore pressing issues of global concern from a variety of perspectives. Participants should leave with a better understanding of what it means to be a global citizen, why it is important, and how the core values of global citizenship can be incorporated into ones present and future actions.

GLOBAL CITIZENSHIP ALLIANCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Classifications of net assets and support are based on the existence or absence of donor imposed restrictions.

Expenses are reported as a decrease in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting; consequently, certain revenues are reflected in the accounts in the period in which they are considered earned, rather than received, and expenses are recorded when incurred, rather than when paid. Assets and liabilities are presented on the basis of historical cost rather than estimated current values and amounts.

Grants Receivable

Grants and contracts receivable are uncollateralized and are recorded monthly as the related services are provided and billed. Management periodically assesses the need for an allowance for doubtful accounts based on historical experience and existing conditions affecting probable collection. Receivables are considered impaired if unpaid balances are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines the receivables will not be collected. There were no receivables at December 31, 2016.

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.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash held in demand deposits.

The Organization places its cash held in the United States with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC coverage are not insured. The Organization also has cash accounts held with financial institutions in Europe that are similarly insured.

GLOBAL CITIZENSHIP ALLIANCE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization classifies as cash and cash equivalents all checking, savings, money market accounts and all investments maturing within ninety days from the date of purchase.

Income Taxes

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

Allocation of Functional Expenses

The cost of providing the various programs and other activities has been summarized in the Statement of Activities. Certain costs, including salaries and administrative operating expenses, have been allocated among the programs and supporting services benefited.

NOTE C – IN-KIND CONTRIBUTIONS

Volunteers provide many of the Organization's daily personnel needs for routine operations. No amounts have been recognized in the accompanying statements of activities because they did not meet the criteria for recognition.

The Organization estimates that 27 volunteers contributed from 4-48 hours (per seminar) over the course of the last year, for a total of approximately 962 volunteer hours.

NOTE D – SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 27, 2017, which is the date the financial statements were available to be issued.