

Cultural Vistas, Inc. and Affiliate



Consolidated Financial Statements and Supplementary Information (Together with Independent Auditors' Report)

Years Ended December 31, 2019 and 2018

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)
YEARS ENDED DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Cultural Vistas, Inc. and Affiliate

We have audited the accompanying consolidated financial statements of Cultural Vistas, Inc. and Affiliate ("CV"), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of CV as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note 11 to the consolidated financial statements, in March 2020, the World Health Organization declared COVID-19 as a pandemic. Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of CV as a whole. The supplementary information on pages 16-18 is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
May 7, 2020

**CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
Cash and cash equivalents (Notes 2B and 9)	\$ 1,345,423	\$ 382,323
Accounts receivable, net (Note 2K)	1,376,323	651,796
Investments (Notes 2F, 4 and 10)	10,635,075	9,584,405
Prepaid expenses and other assets (Note 2J)	397,861	510,863
Security deposits (Note 8)	367,843	367,843
Property and equipment, net (Notes 2G and 5)	698,543	645,814
TOTAL ASSETS	\$ 14,821,068	\$ 12,143,044
LIABILITIES		
Accounts payable and accrued expenses	\$ 606,799	\$ 591,906
Deposits from participants (Note 2J)	301,179	239,092
Deferred revenue (Note 2L)	987,976	864,177
Deferred rent (Note 2H)	1,206,352	966,094
Advances from grantors (Note 2E)	1,933,780	1,248,235
TOTAL LIABILITIES	5,036,086	3,909,504
COMMITMENTS AND CONTINGENCIES (Note 8)		
NET ASSETS (Notes 2C and 7)		
Without donor restrictions:		
Operating	8,514,441	7,027,673
Board designated scholarship fund	497,582	486,220
Total without donor restrictions	9,012,023	7,513,893
With donor restrictions:		
Unappropriated endowment earnings	149,391	96,079
Endowment corpus	623,568	623,568
Total with donor restrictions	772,959	719,647
TOTAL NET ASSETS	9,784,982	8,233,540
TOTAL LIABILITIES AND NET ASSETS	\$ 14,821,068	\$ 12,143,044

The accompanying notes are an integral part of these consolidated financial statements.

**CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	Year Ended December 31, 2019			Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total 2019	Without Donor Restrictions	With Donor Restrictions	Total 2018
OPERATING SUPPORT AND REVENUE (Note 2D):						
Program administration fees (Note 2J)	\$ 8,105,573	\$ -	\$ 8,105,573	\$ 7,928,651	\$ -	\$ 7,928,651
Program revenues (Note 2J)	3,734,396	-	3,734,396	3,840,474	-	3,840,474
Government contracts (Note 2E)	7,417,284	-	7,417,284	7,575,490	-	7,575,490
Contributions	16,575	7,809	24,384	22,681	9,153	31,834
Special events (net of direct expenses of \$96,965 and \$90,318, respectively)	81,392	-	81,392	70,727	-	70,727
Contributed services (Note 2I)	14,000	-	14,000	60,000	-	60,000
Rental income (Note 8B)	217,064	-	217,064	175,153	-	175,153
Net assets released from restrictions (Note 7)	42,229	(42,229)	-	32,947	(32,947)	-
TOTAL OPERATING SUPPORT AND REVENUE	<u>19,628,513</u>	<u>(34,420)</u>	<u>19,594,093</u>	<u>19,706,123</u>	<u>(23,794)</u>	<u>19,682,329</u>
OPERATING EXPENSES:						
Program Services (Note 1):						
Train USA and WEST Programs	6,029,679	-	6,029,679	6,020,014	-	6,020,014
International Visitor Leadership Program	3,902,277	-	3,902,277	4,486,169	-	4,486,169
Edmund S. Muskie Internship Program	887,715	-	887,715	789,064	-	789,064
Short-term Programs	2,297,065	-	2,297,065	2,363,063	-	2,363,063
Robert Bosch and Alfa Fellowships	1,534,732	-	1,534,732	1,646,647	-	1,646,647
Congress-Bundestag Youth Exchange	1,242,410	-	1,242,410	1,223,490	-	1,223,490
Internships Abroad and IAESTE and CV Fellows Programs	801,275	-	801,275	1,171,165	-	1,171,165
Total Program Services	<u>16,695,153</u>	<u>-</u>	<u>16,695,153</u>	<u>17,699,612</u>	<u>-</u>	<u>17,699,612</u>
Supporting Services:						
Management and general	2,530,382	-	2,530,382	2,413,461	-	2,413,461
Fundraising	467,332	-	467,332	274,613	-	274,613
Total Supporting Services	<u>2,997,714</u>	<u>-</u>	<u>2,997,714</u>	<u>2,688,074</u>	<u>-</u>	<u>2,688,074</u>
TOTAL OPERATING EXPENSES	<u>19,692,867</u>	<u>-</u>	<u>19,692,867</u>	<u>20,387,686</u>	<u>-</u>	<u>20,387,686</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(64,354)	(34,420)	(98,774)	(681,563)	(23,794)	(705,357)
NON-OPERATING REVENUE (Note 2D):						
Investment activity (Notes 4 and 7)	1,562,484	87,732	1,650,216	(439,917)	(6,768)	(446,685)
TOTAL NON-OPERATING REVENUE	<u>1,562,484</u>	<u>87,732</u>	<u>1,650,216</u>	<u>(439,917)</u>	<u>(6,768)</u>	<u>(446,685)</u>
CHANGE IN NET ASSETS	1,498,130	53,312	1,551,442	(1,121,480)	(30,562)	(1,152,042)
Net assets - beginning of year	<u>7,513,893</u>	<u>719,647</u>	<u>8,233,540</u>	<u>8,635,373</u>	<u>750,209</u>	<u>9,385,582</u>
NET ASSETS - END OF YEAR	<u>\$ 9,012,023</u>	<u>\$ 772,959</u>	<u>\$ 9,784,982</u>	<u>\$ 7,513,893</u>	<u>\$ 719,647</u>	<u>\$ 8,233,540</u>

The accompanying notes are an integral part of these consolidated financial statements.

CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for December 31, 2018)

Year Ended December 31, 2019

	Program Services							Supporting Services					Total 2019	Total 2018
	Inbound Programs				Reciprocal and Outbound Programs			Total Program Services	Management and General	Fund Raising	Total Supporting Services			
	Train USA and WEST Programs	International Visitor Leadership Program	Edmund S. Muskie Internship Program	Short- Term Programs	Robert Bosch and Alfa Fellowships	Congress- Bundestag Youth Exchange	Internships Abroad IAESTE and CV Fellows Programs							
Salaries	\$ 2,163,355	\$ 418,355	\$ 150,337	\$ 341,656	\$ 335,222	\$ 346,898	\$ 362,173	\$ 4,117,996	\$ 1,276,168	\$ 240,922	\$ 1,517,090	\$ 5,635,086	\$ 5,806,480	
Payroll taxes and employee benefits (Note 6)	491,214	96,675	37,018	53,575	56,893	72,224	56,286	863,885	316,811	46,192	363,003	1,226,888	1,384,167	
Total Salaries and Related Costs	2,654,569	515,030	187,355	395,231	392,115	419,122	418,459	4,981,881	1,592,979	287,114	1,880,093	6,861,974	7,190,647	
Rent (Note 8)	579,626	131,216	56,860	26,670	66,759	79,123	81,326	1,021,580	334,074	44,697	378,771	1,400,351	1,347,895	
Professional and computer services	192,101	24,951	15,680	16,175	27,224	23,707	22,240	322,078	117,633	16,279	133,912	455,990	467,664	
Payroll processing and other services	41,851	7,875	3,647	2,090	6,455	6,837	7,699	76,454	29,175	3,583	32,758	109,212	182,769	
Program partner fees (Note 1)	5,407	-	-	98,634	5,415	-	14,126	123,582	(12,606)	15,356	2,750	126,332	155,737	
Donated professional services (Note 2I)	-	-	-	-	-	-	-	-	14,000	-	14,000	14,000	60,000	
Travel and meetings	84,975	7,383	723	5,401	3,436	2,665	13,578	118,161	168,442	78,583	247,025	365,186	299,175	
Office supplies and other	52,426	20,698	4,138	9,569	4,556	7,107	14,065	112,559	37,617	6,966	44,583	157,142	129,692	
Credit card merchant fees	112,834	198	551	8,516	385	217	674	123,375	11,941	2,359	14,300	137,675	130,866	
Insurance	23,487	4,411	2,205	168	3,638	3,617	3,988	41,514	15,432	1,654	17,086	58,600	47,958	
Equipment rental and repairs (Note 8)	14,373	2,410	957	1,952	1,977	2,415	2,376	26,460	7,829	801	8,630	35,090	42,461	
Telecommunications	29,702	8,158	2,884	1,237	3,832	5,009	4,674	55,496	25,790	1,972	27,762	83,258	91,393	
Postage	148,323	1,265	102	552	35	3,884	2,903	157,064	4,094	798	4,892	161,956	147,903	
Printing	37,628	9,054	2,213	-	3,266	3,620	6,551	62,332	35,358	4,228	39,586	101,918	85,947	
Depreciation and amortization (Note 5)	41,196	7,847	3,923	-	5,885	6,547	5,224	70,622	25,166	2,942	28,108	98,730	84,250	
Bad debt expense	-	-	-	-	-	-	-	-	12,089	-	12,089	12,089	3,787	
Moving expenses (Note 8)	-	-	-	-	-	-	-	-	-	-	-	-	65,477	
Subtotal	4,018,498	740,496	281,238	566,195	524,978	563,870	597,883	7,293,158	2,419,013	467,332	2,886,345	10,179,503	10,533,621	
Participant expenses (Note 2J)	2,011,181	3,161,781	606,477	1,730,870	1,009,754	678,540	203,392	9,401,995	111,369	-	111,369	9,513,364	9,854,065	
TOTAL EXPENSES	\$ 6,029,679	\$ 3,902,277	\$ 887,715	\$ 2,297,065	\$ 1,534,732	\$ 1,242,410	\$ 801,275	\$ 16,695,153	\$ 2,530,382	\$ 467,332	\$ 2,997,714	\$ 19,692,867	\$ 20,387,686	

The accompanying notes are an integral part of these consolidated financial statements.

**CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Year Ended December 31, 2018

	Program Services								Supporting Services				
	Inbound Programs				Reciprocal and Outbound Programs				Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total 2018
	Train USA and WEST Programs	International Visitor Leadership Program	Edmund S. Muskie Internship Program	Short- Term Programs	Robert Bosch and Alfa Fellowships	Congress- Bundestag Youth Exchange	Internships Abroad IAESTE and CV Fellows Programs						
Salaries	\$ 2,206,332	\$ 411,233	\$ 200,713	\$ 410,069	\$ 400,058	\$ 347,148	\$ 480,116	\$ 4,455,669	\$ 1,177,952	\$ 172,859	\$ 1,350,811	\$ 5,806,480	
Payroll taxes and employee benefits (Note 6)	540,162	107,207	46,019	64,849	98,025	82,488	118,890	1,057,640	299,832	26,695	326,527	1,384,167	
Total Salaries and Related Costs	2,746,494	518,440	246,732	474,918	498,083	429,636	599,006	5,513,309	1,477,784	199,554	1,677,338	7,190,647	
Rent (Note 8)	558,650	114,560	49,063	44,863	75,620	81,048	103,211	1,027,015	291,318	29,562	320,880	1,347,895	
Professional and computer services	234,580	26,725	13,829	23,368	20,009	22,738	24,781	366,030	96,076	5,558	101,634	467,664	
Payroll processing and other services	70,926	14,319	6,996	11,296	10,638	9,502	12,864	136,541	40,582	5,646	46,228	182,769	
Program partner fees (Note 1)	14,651	-	-	84,344	-	-	48,242	147,237	8,500	-	8,500	155,737	
Donated professional services (Note 2I)	-	-	-	-	-	-	-	-	60,000	-	60,000	60,000	
Travel and meetings	81,826	9,912	761	10,312	2,712	627	19,757	125,907	161,420	11,848	173,268	299,175	
Office supplies and other	39,768	9,731	4,448	7,314	4,993	4,781	11,182	82,217	33,895	13,580	47,475	129,692	
Credit card merchant fees	121,406	197	79	1,511	157	149	336	123,835	6,755	276	7,031	130,866	
Insurance	19,640	3,801	1,645	1,521	3,445	2,835	4,281	37,168	9,995	795	10,790	47,958	
Equipment rental and repairs (Note 8)	17,294	3,536	1,534	2,494	2,310	2,499	3,150	32,817	8,734	910	9,644	42,461	
Telecommunications	34,528	9,937	3,387	3,168	4,529	5,138	7,320	68,007	21,861	1,525	23,386	91,393	
Postage	126,604	2,311	215	528	968	5,300	3,523	139,449	6,224	2,230	8,454	147,903	
Printing	22,675	6,105	1,403	3,320	2,609	3,091	5,537	44,740	39,462	1,745	41,207	85,947	
Depreciation and amortization (Note 5)	34,757	6,968	3,073	2,510	5,921	5,309	7,112	65,650	17,216	1,384	18,600	84,250	
Bad debt expense	210	-	-	1,767	-	-	1,810	3,787	-	-	-	3,787	
Moving expenses (Note 8)	-	-	-	-	-	-	-	-	65,477	-	65,477	65,477	
Subtotal	4,124,009	726,542	333,165	673,234	631,994	572,653	852,112	7,913,709	2,345,299	274,613	2,619,912	10,533,621	
Participant expenses (Note 2J)	1,896,005	3,759,627	455,899	1,689,829	1,014,653	650,837	319,053	9,785,903	68,162	-	68,162	9,854,065	
TOTAL EXPENSES	\$ 6,020,014	\$ 4,486,169	\$ 789,064	\$ 2,363,063	\$ 1,646,647	\$ 1,223,490	\$ 1,171,165	\$ 17,699,612	\$ 2,413,461	\$ 274,613	\$ 2,688,074	\$ 20,387,686	

The accompanying notes are an integral part of these consolidated financial statements.

**CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,551,442	\$ (1,152,042)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debt expense	12,089	3,787
Depreciation and amortization	98,730	84,250
Contributions restricted for endowment	(7,809)	(9,153)
Realized gain on investments	(111,497)	(199,035)
Unrealized (gain) loss on investments	(1,278,161)	882,184
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Accounts receivable, net	(736,616)	(246,078)
Prepaid expenses and other assets	113,002	55,374
Security deposits	-	114,040
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	14,893	(1,847)
Deposits from participants	62,087	(46,366)
Deferred revenue	123,799	100,295
Deferred rent	240,258	370,169
Advances from grantors	685,545	(290,077)
Net Cash Provided by (Used in) Operating Activities	767,762	(334,499)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(151,459)	(482,240)
Proceeds from sale of investments	600,000	1,572,645
Purchases of investments	(261,012)	(708,467)
Net Cash Provided by Investing Activities	187,529	381,938
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for endowment	7,809	9,153
Net Cash Provided by Financing Activities	7,809	9,153
NET INCREASE IN CASH AND CASH EQUIVALENTS	963,100	56,592
Cash and cash equivalents - beginning of year	382,323	325,731
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,345,423	\$ 382,323

The accompanying notes are an integral part of these consolidated financial statements.

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Founded in 1963 and incorporated in New York State, Cultural Vistas, Inc. and Affiliate (“CV”) is a nonprofit exchange organization promoting global understanding and collaboration among individuals and institutions. We develop international professional experiences that create more informed, skilled, and engaged citizens. Our programs empower people to drive positive change in themselves, their organizations, and society. CV possesses over 50 years of exchange experience working with more than 100,000 participants from over 130 countries around the world. CV is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported organization under Section 509(a). In addition, CV supports Cultural Vistas gGmbH, an office located in Berlin which is a separately incorporated entity in Germany, whose mission is the same as CV, and in which CV is the sole corporate member. All significant intercompany balances and transactions have been eliminated during the consolidation.

Programs operated by CV are summarized below:

- CV was authorized by the U.S. Department of State as a **J-1 Exchange Visitor Program Sponsor** for four categories in 2019: Intern, Trainee, Teacher and Korea WEST. Its **Train USA, and WEST as well as Short-term Programs** such as U.S. Embassy study tours provide students and professionals from all over the world the opportunity to enhance their professional skills and gain knowledge of American business practices by interning or training for three weeks to eighteen months at U.S. companies and institutions.
- U.S. State Department public diplomacy initiatives:
 - The **International Visitor Leadership Program (“IVLP”)** is the flagship professional exchange program of the U.S. Department of State, Bureau of Educational and Cultural Affairs. IVLP builds mutual understanding through carefully designed short-term visits to the United States for current and emerging foreign leaders. Each year, IVLP brings more than 5,500 participants to the United States from countries all over the world to meet and confer with their professional counterparts and gain firsthand knowledge about the United States, its people, policies and culture. As one of only eight National Program Agencies, CV works in coordination with the U.S. Department of State to administer, design and implement programs that directly support U.S. foreign policy goals for 374 IVLP participants.
 - The **Congress-Bundestag Youth Exchange for Young Professionals** is a reciprocal scholarship program with a strong focus on cultural exchange. It is designed to give participants an understanding of everyday life, education and professional training in Germany and the United States. In the U.S., the program is funded by the Bureau of Educational and Cultural Affairs of the Department of State. In Germany, it is funded through the Administration of the Bundestag (Parliament) and administered by GIZ: Deutsche Gesellschaft fuer Internationale Zusammenarbeit.
 - The **Edmund S. Muskie Internship Program** is a summer internship program funded by the U.S. Department of State that provides emerging leaders from Eastern Europe, the Caucasus, and Central Asia with the opportunity to gain real-world experience complementing and enriching their graduate studies in the United States. The program includes virtual learning, training sessions on team-building, community service volunteering, policy brief development, and three month professional internships with U.S. government agencies, NGOs, and businesses.
 - The **Young Pacific Leaders Initiative (YPL)** is a network of emerging indigenous leaders in the Pacific. YPL strengthens linkages between emerging leaders across the Pacific and the United States, reinforcing the U.S. commitment to the Pacific region. These relationships with the younger generation of government, civic and business leaders help to harness the extraordinary potential of youth in the region to address critical challenges and expand opportunities. In 2019, CV administered the YPL Conference and YPL Small Grants Program. The 2019 YPL Conference was the sixth regional gathering for young leaders, ages 25-35, bringing participants together to develop leadership skills to advance the economic vibrancy and civic engagement within the region. The 2019 YPL Small Grants Program was the second iteration of seed grant funding to YPL alumni in support of innovative programs throughout the Pacific region.

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

- The **Robert Bosch Foundation Fellowship**, funded by the Robert Bosch Stiftung in Stuttgart, Germany, enables young American professionals to participate in an extensive work and study program in Germany. Although a prime goal of this program is the advancement of transatlantic relations, it also contributes to the participants' professional competence and expertise, and broadens their cultural horizons.
- The **Alfa Fellowship Program**, funded by Alfa-Bank in Moscow, is designed to address the problem that there are still too few experts in the U.S. and Europe with direct, meaningful experience in the modern business, government, public policy, and cultural environment of Russia. The program provides an exciting opportunity for young professionals from the U.S., Britain and Germany to live and work in Russia and to enable them to develop a genuine expertise through individualized professional assignments.
- **Internships Abroad** offers an array of personalized and enriching professional internship and training programs for American students and young professionals in Germany, Ireland, and Switzerland. The programs are tailored to participants' specific skill sets, ambitions, and career aspirations. The program allows participants to see the world, experience new cultures firsthand, and gain the transferable skills that will set them apart in today's global marketplace. In 2019, the Cultural Vistas Fellowship also provided 15 full scholarships for three month programs in Germany, Hong Kong and Argentina.
- **International Association for the Exchange of Students for Technical Experience ("IAESTE")** is a longstanding, reciprocal exchange program dedicated to developing global skills in tomorrow's leaders through career-building internships for international and American students majoring in science and technical fields. The IAESTE network consists of organizations in more than 80 countries and CV is the national agency representing the United States.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. CV's consolidated financial statements have been prepared on the accrual basis of accounting. CV adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").
- B. CV considers all highly liquid investments with original maturities of 90 days or less when acquired to be cash equivalents.
- C. CV maintains its net assets under the following two classes:
 - Without donor restrictions:
 - Operating - this represents resources received that have not been restricted by the donor. Such resources are available to support CV's operations over which the Board of Directors has discretionary control.
 - Board Designated Scholarship Fund - consists of funds designated by the Board of Directors to be used for scholarships for American participants abroad.
 - With donor restrictions – resources received with donor stipulations that limit the use of the donated assets or that have time restrictions placed on their use, including endowment net assets that must be invested in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.
- D. CV includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment activity is recognized as a nonoperating activity.
- E. Revenue from government grants and contracts designated for use toward specific activities is recognized in the period when the expenses have been incurred in compliance with the grantor's conditions as these conditions represent a measurable performance-related barrier as defined by Accounting Standards Codification ("ASC") Topic 958. Cash received in excess of revenue recognized is recorded as advances from grantors in the accompanying consolidated statements of financial position.

**CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- F. Investments are reported at fair value based on quoted prices in an active market, as described in Note 10. Donated securities are recorded at their fair market value on the date received using an average of the high and low price on the date received. Investment activity is recorded as non-operating revenue or loss in net assets without donor restrictions unless restricted by the donor or law and is recorded net of any investment fees.
- G. Property and equipment is stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. CV capitalizes all property and equipment having a cost of \$1,000 or more and a useful life of at least two years. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the assets or the life of the lease.
- H. CV leases real property in New York City. For the years ended December 31, 2019 and 2018, CV recorded an increase (decrease) to rent expense to reflect its straight-lining policy that amounted to \$217,975 and \$377,889, respectively. CV also leases real property Washington, DC. For the years ended December 31, 2019 and 2018, CV recorded an increase (decrease) to rent expense at this location to reflect its straight-lining policy that amounted to \$22,283 and \$(7,720), respectively. Straight-lining of rent expense gives rise to a timing difference that is reflected as deferred rent in the accompanying consolidated statements of financial position.
- I. CV records donated services at their fair value on the date of receipt. Donated services are reported as contributions when the services create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills. CV recognized contributed professional legal services amounting to \$14,000 and \$60,000, as in-kind contributions and donated professional fees in the accompanying consolidated statements of activities and functional expenses for the years ended December 31, 2019 and 2018, respectively.
- J. CV recognizes income for program administration fees and program revenues in accordance with ASC Topic 606. Program administration fee revenue includes administrative fees paid by individuals, corporations, foundations or government grants for their participation in the programs that CV offers, as described in Note 1, and includes items such as insurance and application fees. Program revenues represent revenues directly related to implementing the exchange program activities that CV offers. Participant expenses include stipends, tuition, insurance, transportation and accommodations paid by CV on behalf of program participants. CV includes insurance premiums and participant programming expenses relating to a subsequent year as prepaid expenses. In addition, CV records monies received from participants for expenses occurring in a subsequent year as a liability. Program administrative fee revenues and expenses are recognized in the calendar year for which they are earned or incurred.
- K. As of December 31, 2019 and 2018, CV determined that an allowance for doubtful accounts of \$6,804 and \$800, respectively, for uncollectible receivables was necessary. Such estimate is based on management's evaluation of the creditworthiness of its donors and grantors, the aged basis of its receivables, as well as current economic conditions and historical information. All receivables are expected to be collected within one year.
- L. CV receives payments from participants before the commencement of programs. Such amounts are reflected as deferred revenue.
- M. Functional expenses of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort. Other allocated expenses include rent, office supplies and other, insurance, depreciation, and telecommunications, which are allocated on the basis of full-time employees per program.

**CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- N. The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from those estimates.
- O. Certain line items in the December 31, 2018 consolidated financial statements have been reclassified to conform to the December 31, 2019 presentation. These changes had no impact on the change in net assets for the year ended December 31, 2018.
- P. During the year ended December 31, 2019, CV adopted Accounting Standards Update (“ASU”) 2014-09, “*Revenue from Contracts with Customers*” and ASU 2018-08, “*Contributions Received and Contributions Made*.” ASU 2014-09 requires CV to recognize revenue to depict the provisions of services in amounts that reflect the consideration to which CV expects to be entitled in exchange for those services. ASU 2018-08 provides guidance to assist CV in accounting for contributions. CV considers whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and a right of return of assets transferred or a right of releases of a resource provider’s obligation to transfer assets. ASU 2014-09 and ASU 2018-08 were adopted retrospectively and had no impact on the change in net assets for the year ended December 31, 2019.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

CV regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. CV has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities. For the purposes of analyzing resources available to meet general expenditures over a twelve-month period, CV considers all expenditures related to its ongoing program activities as well as service undertaken to support those activities to be general expenditures. Many of CV’s expenses are paid on behalf of CV’s program participants and are funded directly by related program revenue (see Note 2J).

As of December 31, 2019, financial assets available to meet general expenditures over the next year were as follows:

Cash and cash equivalents	\$ 1,345,423
Accounts receivable	1,376,323
Investments not included in endowment funds	<u>9,364,534</u>
	<u>\$ 12,086,280</u>

NOTE 4 – INVESTMENTS

Investments consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Mutual funds	\$ <u>10,635,075</u>	\$ <u>9,584,405</u>
	<u>\$ 10,635,075</u>	<u>\$ 9,584,405</u>

Investments are subject to market volatility that could substantially change their value in the near term.

Investment activity consists of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 280,704	\$ 256,216
Realized gain on investments	111,497	199,035
Unrealized gain (loss) on investments	1,278,161	(882,184)
Investment fees	<u>(20,146)</u>	<u>(19,752)</u>
	<u>\$ 1,650,216</u>	<u>\$ (446,685)</u>

**CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 1,054,666	\$ 939,781	3-8 years
Leasehold improvements	<u>364,102</u>	<u>348,272</u>	15 years
Total	1,418,768	1,288,053	
Less: Accumulated depreciation and amortization	<u>(720,225)</u>	<u>(642,239)</u>	
Net book value	<u>\$ 698,543</u>	<u>\$ 645,814</u>	

Depreciation and amortization expense amounted to \$98,730 and \$84,250 for the years ended December 31, 2019 and 2018, respectively. During the years ended December 31, 2019 and 2018, CV wrote off fully depreciated and fully amortized assets amounting to \$20,744 and \$143,510, respectively.

NOTE 6 – PENSION PLAN

CV has a defined-contribution pension plan pursuant to U.S. Internal Revenue Code Section 401 that covers employees who work more than twenty hours per week after one year of service. CV matches 2% of employees' contributions based on qualifying salaries. Total pension expense for the years ended December 31, 2019 and 2018, amounted to \$68,736 and \$72,867, respectively.

NOTE 7 – ENDOWMENT NET ASSETS

Net assets with donor restrictions include unappropriated earnings from endowment funds amounting to \$149,391 and \$96,079 as of December 31, 2019 and 2018, respectively. Net assets released from donor restrictions relate to appropriations to fund certain scholarships of participants to satisfy donor restrictions.

CV adheres to the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA creates a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered net assets without donor restrictions by the donor must be reflected as net assets with donor restrictions until appropriated by CV.

CV's Board of Directors has interpreted NYPMIFA as allowing CV to appropriate for expenditure or accumulate so much of an endowment fund as CV determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

CV's endowment investment policy is to invest in fixed income and equities based on an asset allocation with the objective of capital appreciation. Donor-restricted endowment funds are invested separately from CV's other assets. Annual spending from the endowment fund for scholarships is established by the Board of Directors prior to the beginning of each fiscal year as part of the annual budget process.

From time to time, the fair value of individual donor-restricted endowment funds may fall below the level that the donor requires CV to retain as a fund of perpetual duration. Such deficiencies are reported as net assets with donor restrictions. There were no such deficiencies as of December 31, 2019 and 2018.

As discussed in Note 2C, CV also has a Board-designated fund to make scholarships for American participants abroad. This fund is included in net assets without donor restrictions.

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 7 – ENDOWMENT NET ASSETS (Continued)

Changes in endowment net assets were as follows for the year ended December 31, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
Investment activity	\$ -	\$ 87,732	\$ 87,732
Appropriations of endowment earnings	-	(34,420)	(34,420)
Earnings from Board-designated funds	<u>11,362</u>	<u>-</u>	<u>11,362</u>
Total change in endowment net assets	11,362	53,312	64,674
Endowment net assets, beginning of year	<u>486,220</u>	<u>719,647</u>	<u>1,205,867</u>
Endowment net assets, end of year	<u>\$ 497,582</u>	<u>\$ 772,959</u>	<u>\$ 1,270,541</u>

Changes in endowment net assets were as follows for the year ended December 31, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2018 Total</u>
Investment activity	\$ -	\$ (6,768)	\$ (6,768)
Contributions	-	9,153	9,153
Appropriations of endowment earnings	-	(32,947)	(32,947)
Spending from Board-designated funds	<u>(52,853)</u>	<u>-</u>	<u>(52,853)</u>
Total change in endowment net assets	(52,853)	(30,562)	(83,415)
Endowment net assets, beginning of year	<u>539,073</u>	<u>750,209</u>	<u>1,289,282</u>
Endowment net assets, end of year	<u>\$ 486,220</u>	<u>\$ 719,647</u>	<u>\$ 1,205,867</u>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

A. CV's lease for its New York office expired in May 2018 and CV entered into a new operating lease at a different location expiring in early 2034. CV incurred moving expenses to its new location amounting to \$0 and \$65,477 for the years ended December 31, 2019 and 2018, respectively, which are reflected in the accompanying consolidated statements of functional expenses. CV also has a lease for its Washington, DC office expiring September 30, 2025. The lessor at the Washington DC location provided CV a construction allowance in the amount of \$198,787, which CV recognized as deferred rent that is amortized as a reduction to rent expense over the lease term in accordance with ASC 840-20, "Accounting for Leases." CV also has various equipment operating lease agreements for copiers and printers at its New York and Washington, DC offices.

Future minimum rental commitments for the years ending subsequent to December 31, 2019 are as follows:

	<u>Real Property</u>	<u>Equipment</u>	<u>Total</u>
2020	\$ 1,293,000	\$ 18,000	\$ 1,311,000
2021	1,272,000	18,000	1,290,000
2022	1,354,000	18,000	1,372,000
2023	1,428,000	15,000	1,443,000
2024	1,475,000	-	1,475,000
Thereafter	<u>8,303,000</u>	<u>-</u>	<u>8,303,000</u>
	<u>\$ 15,125,000</u>	<u>\$ 69,000</u>	<u>\$ 15,194,000</u>

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)

Rent expense amounted to \$1,400,351 and \$1,347,895 for the years ended December 31, 2019 and 2018, respectively, and is included in rent expense in the accompanying consolidated statements of functional expenses. Equipment lease expense amounted to approximately \$27,000 and \$31,000 for the years ended December 31, 2019 and 2018, respectively, and is included in equipment rental and repairs expense in the accompanying consolidated statements of functional expenses.

- B. CV sub-leases a portion of its Washington, DC space expiring September 30, 2025 and received rental income of approximately \$217,000 and \$175,000 for the years ended December 31, 2019 and 2018, respectively. This is reflected as rental income in the accompanying consolidated statements of activities. The approximate future minimum annual rentals to be received under the leases for the years ending after December 31, 2019 are as follows:

2020	\$ 255,000
2021	183,000
2022	184,000
2023	192,000
2024	200,000
Thereafter	<u>155,000</u>
	<u>\$ 1,169,000</u>

- C. CV believes it has no uncertain tax positions in accordance with ASC Topic 740, Income Taxes, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 9 – CONCENTRATIONS

Cash and cash equivalents that potentially subject CV to a concentration of credit risk include cash accounts with one bank that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits by approximately \$1,086,000 and \$155,000 as of December 31, 2019 and 2018, respectively. Cash accounts in this bank are insured up to \$250,000.

NOTE 10 – FAIR VALUE MEASUREMENTS

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 10 – FAIR VALUE MEASUREMENTS (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2019 and 2018.

Mutual Funds:

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by CV are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by CV are deemed to be actively traded.

Financial assets carried at fair value at December 31, 2019 are classified in the table below as follows:

	Level 1	2019 Total
Investments:		
Mutual Funds	<u>\$ 10,635,075</u>	<u>\$ 10,635,075</u>
	<u>\$ 10,635,075</u>	<u>\$ 10,635,075</u>

Financial assets carried at fair value at December 31, 2018 are classified in the table below as follows:

	Level 1	2018 Total
Investments:		
Mutual Funds	<u>\$ 9,584,405</u>	<u>\$ 9,584,405</u>
	<u>\$ 9,584,405</u>	<u>\$ 9,584,405</u>

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through May 7, 2020, the date the consolidated financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic, which continues to spread throughout the United States. CV could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on our mission, programs, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, we cannot predict the extent to which our financial condition and results of operations will be affected. As of May 7, 2020, CV’s investments had declined by 6%.

**CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 11 – SUBSEQUENT EVENTS (Continued)

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration sector of the government. The maximum loan amount is equal to the lesser of (a) 2.5 times the entity’s average monthly payroll costs, as defined and incurred during the one-year period before the date on which the loan is made; or (b) \$10 million. The term of the loan is two years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the eight week period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the CV’s employees. CV applied for this loan through an SBA authorized lender. On April 30, 2020, a loan of approximately \$1.2 million was received.

CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019
(With Comparative Totals for December 31, 2018)

	As of December 31, 2019			
	Cultural Vistas United States	Cultural Vistas gGmbH	Consolidated Total 2019	Consolidated Total 2018
ASSETS				
Cash and cash equivalents	\$ 1,268,932	\$ 76,491	\$ 1,345,423	\$ 382,323
Accounts receivable, net	1,376,323	-	1,376,323	651,796
Investments	10,635,075	-	10,635,075	9,584,405
Prepaid expenses and other assets	396,173	1,688	397,861	510,863
Security deposits	367,843	-	367,843	367,843
Property and equipment, net	<u>696,912</u>	<u>1,631</u>	<u>698,543</u>	<u>645,814</u>
TOTAL ASSETS	<u>\$ 14,741,258</u>	<u>\$ 79,810</u>	<u>\$ 14,821,068</u>	<u>\$ 12,143,044</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 601,587	\$ 5,212	\$ 606,799	\$ 591,906
Deposits from participants	301,179	-	301,179	239,092
Deferred revenue	987,976	-	987,976	864,177
Deferred rent	1,206,352	-	1,206,352	966,094
Advances from grantors	<u>1,933,780</u>	<u>-</u>	<u>1,933,780</u>	<u>1,248,235</u>
TOTAL LIABILITIES	<u>5,030,874</u>	<u>5,212</u>	<u>5,036,086</u>	<u>3,909,504</u>
NET ASSETS				
Without donor restrictions:				
Operating	8,439,843	74,598	8,514,441	7,027,673
Board designated scholarship fund	497,582	-	497,582	486,220
Total without donor restrictions	<u>8,937,425</u>	<u>74,598</u>	<u>9,012,023</u>	<u>7,513,893</u>
With donor restrictions:				
Unappropriated endowment earnings	149,391	-	149,391	96,079
Endowment corpus	623,568	-	623,568	623,568
Total with donor restrictions	<u>772,959</u>	<u>-</u>	<u>772,959</u>	<u>719,647</u>
TOTAL NET ASSETS	<u>9,710,384</u>	<u>74,598</u>	<u>9,784,982</u>	<u>8,233,540</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,741,258</u>	<u>\$ 79,810</u>	<u>\$ 14,821,068</u>	<u>\$ 12,143,044</u>

**CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)**

	Year Ended December 31, 2019							
	Cultural Vistas United States			Cultural Vistas gGmbH		Consolidating Eliminations	Consolidated Total 2019	Consolidated Total 2018
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Total			
OPERATING SUPPORT AND REVENUE:								
Program administration fees	\$ 7,978,448	\$ -	\$ 7,978,448	\$ 127,125	\$ -	\$ -	\$ 8,105,573	\$ 7,928,651
Program revenues	3,691,359	-	3,691,359	43,037	-	-	3,734,396	3,840,474
Program partner fees	-	-	-	153,558	(153,558)	-	-	-
Government contracts	7,417,284	-	7,417,284	-	-	-	7,417,284	7,575,490
Contributions	16,575	7,809	24,384	-	-	-	24,384	31,834
Special events (net of direct expenses of \$96,965 and \$90,318, respectively)	81,392	-	81,392	-	-	-	81,392	70,727
Contributed services	14,000	-	14,000	-	-	-	14,000	60,000
Rental income	217,064	-	217,064	-	-	-	217,064	175,153
Net assets released from restrictions	42,229	(42,229)	-	-	-	-	-	-
TOTAL OPERATING SUPPORT AND REVENUE	19,458,351	(34,420)	19,423,931	323,720	(153,558)	-	19,594,093	19,682,329
OPERATING EXPENSES:								
Program services:								
Train USA and WEST Programs	6,042,023	-	6,042,023	3,012	(15,356)	-	6,029,679	6,020,014
International Visitor Leadership Program	3,902,277	-	3,902,277	-	-	-	3,902,277	4,486,169
Edmund S. Muskie Internship Program	887,715	-	887,715	-	-	-	887,715	789,064
Short-term Programs	2,198,755	-	2,198,755	98,310	-	-	2,297,065	2,363,063
Robert Bosch and Alfa Fellowships	1,487,592	-	1,487,592	62,496	(15,356)	-	1,534,732	1,646,647
Congress-Bundestag Youth Exchange	1,242,410	-	1,242,410	-	-	-	1,242,410	1,223,490
Internships Abroad and IAESTE and CV Fellows Programs	747,452	-	747,452	99,890	(46,067)	-	801,275	1,171,165
Total program services	16,508,224	-	16,508,224	263,708	(76,779)	-	16,695,153	17,699,612
Supporting services:								
Management and general	2,539,126	-	2,539,126	68,035	(76,779)	-	2,530,382	2,413,461
Fundraising	467,332	-	467,332	-	-	-	467,332	274,613
Total supporting services	3,006,458	-	3,006,458	68,035	(76,779)	-	2,997,714	2,688,074
TOTAL OPERATING EXPENSES	19,514,682	-	19,514,682	331,743	(153,558)	-	19,692,867	20,387,686
CHANGE IN NET ASSETS FROM OPERATIONS	(56,331)	(34,420)	(90,751)	(8,023)	-	-	(98,774)	(705,357)
NON-OPERATING REVENUE:								
Investment activity	1,562,484	87,732	1,650,216	-	-	-	1,650,216	(446,685)
TOTAL NON-OPERATING REVENUE	1,562,484	87,732	1,650,216	-	-	-	1,650,216	(446,685)
CHANGE IN NET ASSETS	1,506,153	53,312	1,559,465	(8,023)	-	-	1,551,442	(1,152,042)
Net assets - beginning of year	7,431,272	719,647	8,150,919	82,621	-	-	8,233,540	9,385,582
NET ASSETS - END OF YEAR	\$ 8,937,425	\$ 772,959	\$ 9,710,384	\$ 74,598	\$ -	\$ -	\$ 9,784,982	\$ 8,233,540

CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

Year Ended December 31, 2019

	Cultural Vistas United States								Cultural Vistas gGmbH											
	Program Services				Supporting Services				Supporting Services				Supporting Services			Consolidating Eliminations	Consolidated Total 2019	Consolidated Total 2018		
	Inbound Programs		Reciprocal and Outbound Programs		Management and General	Fund Raising	Total Supporting Services	Total	Program Services	Management and General	Fund Raising	Total Supporting Services	Total							
Train USA and WEST Programs	International Visitor Leadership Program	Edmund S. Muskie Internship Program	Short-Term Programs	Robert Bosch and Alfa Fellowships										Congress-Bundestag Youth Exchange	Internships Abroad IAESTE and CV Fellows Programs	Total Program Services				
Salaries	\$ 2,163,355	\$ 418,355	\$ 150,337	\$ 292,407	\$ 296,199	\$ 346,898	\$ 288,558	\$ 3,956,109	\$ 1,265,469	\$ 240,922	\$ 1,506,391	\$ 5,462,500	\$ 161,887	\$ 10,699	\$ -	\$ 10,699	\$ 172,586	\$ -	\$ 5,635,086	\$ 5,806,480
Payroll taxes and employee benefits	491,214	96,675	37,018	53,575	56,893	72,224	46,619	854,218	287,810	46,192	334,002	1,188,220	9,667	29,001	-	29,001	38,668	-	1,226,888	1,384,167
Total Salaries and Related Costs	2,654,569	515,030	187,355	345,982	353,092	419,122	335,177	4,810,327	1,553,279	287,114	1,840,393	6,650,720	171,554	39,700	-	39,700	211,254	-	6,861,974	7,190,647
Rent	578,352	131,216	56,860	26,670	64,739	79,123	77,505	1,014,465	327,706	44,697	372,403	1,386,868	7,115	6,368	-	6,368	13,483	-	1,400,351	1,347,895
Professional and computer services	192,096	24,951	15,680	16,175	27,219	23,707	22,226	322,054	117,610	16,279	133,889	455,943	24	23	-	23	47	-	455,990	467,664
Payroll processing and other services	41,057	7,875	3,647	2,090	5,661	6,837	5,316	72,483	25,203	3,583	28,786	101,269	3,971	3,972	-	3,972	7,943	-	109,212	182,769
Program partner fees	20,763	-	-	83,382	20,771	-	60,193	185,109	64,173	15,356	79,529	264,638	15,252	-	-	15,252	-	(153,558)	126,332	155,737
Donated professional services	-	-	-	-	-	-	-	-	14,000	-	14,000	14,000	-	-	-	-	-	-	14,000	60,000
Travel and meetings	84,975	7,383	723	3,099	2,286	2,665	13,536	114,667	163,845	78,583	242,428	357,095	3,494	4,597	-	4,597	8,091	-	365,186	299,175
Office supplies and other	52,131	20,698	4,138	9,540	3,558	7,107	13,179	110,351	36,140	6,966	43,106	153,457	2,208	1,477	-	1,477	3,685	-	157,142	129,692
Credit card merchant fees	112,655	198	551	5,627	104	217	134	119,486	11,045	2,359	13,404	132,890	3,889	896	-	896	4,785	-	137,675	130,866
Insurance	23,157	4,411	2,205	-	3,308	3,617	2,999	39,697	13,784	1,654	15,438	55,135	1,817	1,648	-	1,648	3,465	-	58,600	47,958
Equipment rental and repairs	14,373	2,410	957	1,952	1,977	2,415	2,376	26,460	7,829	801	8,630	35,090	-	-	-	-	-	-	35,090	42,461
Telecommunications	29,615	8,158	2,884	1,237	3,476	5,009	4,413	54,792	25,356	1,972	27,328	82,120	704	434	-	434	1,138	-	83,258	91,393
Postage	148,308	1,265	102	552	20	3,884	2,858	156,989	4,018	798	4,816	161,805	75	76	-	76	151	-	161,956	147,903
Printing	37,595	9,054	2,213	-	3,232	3,620	6,450	62,164	35,190	4,228	39,418	101,582	168	168	-	168	336	-	101,918	85,947
Depreciation	41,196	7,847	3,923	-	5,885	6,547	5,224	70,622	24,594	2,942	27,536	98,158	-	572	-	572	572	-	98,730	84,250
Bad debt expense	-	-	-	-	-	-	-	-	12,089	-	12,089	12,089	-	-	-	-	-	-	12,089	3,787
Moving expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,477
Subtotal	4,030,842	740,496	281,238	496,306	495,328	563,870	551,586	7,159,666	2,435,861	467,332	2,903,193	10,062,859	210,271	59,931	-	59,931	270,202	(153,558)	10,179,503	10,533,621
Participant expenses	2,011,181	3,161,781	606,477	1,702,449	992,264	678,540	195,866	9,348,558	103,265	-	103,265	9,451,823	53,437	8,104	-	8,104	61,541	-	9,513,364	9,854,065
TOTAL EXPENSES	\$ 6,042,023	\$ 3,902,277	\$ 887,715	\$ 2,198,755	\$ 1,487,592	\$ 1,242,410	\$ 747,452	\$ 16,508,224	\$ 2,539,126	\$ 467,332	\$ 3,006,458	\$ 19,514,682	\$ 263,708	\$ 68,035	\$ -	\$ 68,035	\$ 331,743	\$ (153,558)	\$ 19,692,867	\$ 20,387,686