

Cultural Vistas, Inc. and Affiliate



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

Years Ended December 31, 2020 and 2019

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, 2020 AND 2019

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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, 2020 and 2019, 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, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 16-19 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 13, 2021

**CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and cash equivalents (Notes 2B and 9)	\$ 593,929	\$ 1,345,423
Accounts receivable, net (Note 2K)	623,144	1,376,323
Investments (Notes 2F, 4 and 10)	11,052,979	10,635,075
Prepaid expenses and other assets (Note 2J)	293,600	397,861
Security deposits (Note 8)	247,527	367,843
Property and equipment, net (Notes 2G and 5)	778,275	698,543
TOTAL ASSETS	\$ 13,589,454	\$ 14,821,068
LIABILITIES		
Accounts payable and accrued expenses	\$ 233,013	\$ 606,799
Deposits from participants (Note 2J)	91,239	301,179
Deferred revenue (Note 2L)	147,351	987,976
Deferred rent (Note 2H)	1,256,989	1,206,352
Advances from grantors (Note 2E)	1,949,381	1,933,780
TOTAL LIABILITIES	3,677,973	5,036,086
COMMITMENTS AND CONTINGENCIES (Note 8)		
NET ASSETS (Notes 2C and 7)		
Without donor restrictions:		
Operating	8,512,832	8,514,441
Board designated scholarship fund	550,271	497,582
Total without donor restrictions	9,063,103	9,012,023
With donor restrictions:		
Unappropriated endowment earnings	224,810	149,391
Endowment corpus	623,568	623,568
Total with donor restrictions	848,378	772,959
TOTAL NET ASSETS	9,911,481	9,784,982
TOTAL LIABILITIES AND NET ASSETS	\$ 13,589,454	\$ 14,821,068

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, 2020 AND 2019**

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total 2020	Without Donor Restrictions	With Donor Restrictions	Total 2019
OPERATING SUPPORT AND REVENUE (Note 2D):						
Program administration fees (Note 2J)	\$ 4,248,912	\$ -	\$ 4,248,912	\$ 8,105,573	\$ -	\$ 8,105,573
Program revenues (Note 2J)	1,376,309	-	1,376,309	3,734,396	-	3,734,396
Government contracts (Note 2E)	3,508,952	-	3,508,952	7,417,284	-	7,417,284
Paycheck protection program grant (Note 8E)	1,215,557	-	1,215,557	-	-	-
Contributions (Note 2E)	132,625	-	132,625	16,575	7,809	24,384
Special events (net of direct expenses of \$0 and \$96,965, respectively)	-	-	-	81,392	-	81,392
Contributed services (Note 2I)	3,900	-	3,900	14,000	-	14,000
Rental income (Note 8B)	254,285	-	254,285	217,064	-	217,064
Other income	16,938	-	16,938	-	-	-
Net assets released from restrictions (Note 7)	2,000	(2,000)	-	42,229	(42,229)	-
TOTAL OPERATING SUPPORT AND REVENUE	10,759,478	(2,000)	10,757,478	19,628,513	(34,420)	19,594,093
OPERATING EXPENSES:						
Program Services (Note 1):						
Train USA and WEST Programs	3,491,508	-	3,491,508	6,029,679	-	6,029,679
International Visitor Leadership Program	1,216,695	-	1,216,695	3,902,277	-	3,902,277
Edmund S. Muskie Internship Program	823,369	-	823,369	887,715	-	887,715
Short-term Programs	890,230	-	890,230	2,297,065	-	2,297,065
Robert Bosch and Alfa Fellowships	823,455	-	823,455	1,534,732	-	1,534,732
Congress-Bundestag Youth Exchange	1,485,747	-	1,485,747	1,242,410	-	1,242,410
Internships Abroad and IAESTE and CV Fellows Programs	464,795	-	464,795	801,275	-	801,275
Total Program Services	9,195,799	-	9,195,799	16,695,153	-	16,695,153
Supporting Services:						
Management and general	2,653,432	-	2,653,432	2,530,382	-	2,530,382
Fundraising	199,498	-	199,498	467,332	-	467,332
Total Supporting Services	2,852,930	-	2,852,930	2,997,714	-	2,997,714
TOTAL OPERATING EXPENSES	12,048,729	-	12,048,729	19,692,867	-	19,692,867
CHANGE IN NET ASSETS FROM OPERATIONS	(1,289,251)	(2,000)	(1,291,251)	(64,354)	(34,420)	(98,774)
NON-OPERATING REVENUE (Note 2D):						
Investment activity (Notes 4 and 7)	1,340,331	77,419	1,417,750	1,562,484	87,732	1,650,216
TOTAL NON-OPERATING REVENUE	1,340,331	77,419	1,417,750	1,562,484	87,732	1,650,216
CHANGE IN NET ASSETS	51,080	75,419	126,499	1,498,130	53,312	1,551,442
Net assets - beginning of year	9,012,023	772,959	9,784,982	7,513,893	719,647	8,233,540
NET ASSETS - END OF YEAR	\$ 9,063,103	\$ 848,378	\$ 9,911,481	\$ 9,012,023	\$ 772,959	\$ 9,784,982

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, 2020
(With Comparative Totals for December 31, 2019)

	Year Ended December 31, 2020												
	Program Services							Supporting Services					
	Inbound Programs				Reciprocal and Outbound Programs			Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total 2020	Total 2019
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	\$ 1,614,494	\$ 496,898	\$ 242,189	\$ 240,405	\$ 238,044	\$ 588,139	\$ 279,044	\$ 3,699,213	\$ 1,440,635	\$ 123,181	\$ 1,563,816	\$ 5,263,029	\$ 5,635,086
Payroll taxes and employee benefits (Note 6)	391,584	116,623	57,868	47,201	35,157	79,339	33,749	761,521	310,481	24,913	335,394	1,096,915	1,226,888
Total Salaries and Related Costs	2,006,078	613,521	300,057	287,606	273,201	667,478	312,793	4,460,734	1,751,116	148,094	1,899,210	6,359,944	6,861,974
Rent (Note 8A)	408,224	123,183	80,770	18,202	42,562	106,410	57,825	837,176	592,920	23,541	616,461	1,453,637	1,400,351
Professional and computer services	142,159	33,623	32,457	20,754	18,574	49,109	18,452	315,128	130,244	12,817	143,061	458,189	455,990
Payroll processing and other services	19,511	5,166	3,199	616	3,595	5,916	4,111	42,114	19,928	616	20,544	62,658	109,212
Program partner fees	(2,254)	-	-	21,353	(1,673)	280	22,061	39,767	(10,040)	-	(10,040)	29,727	126,332
Donated professional services (Note 2I)	100	-	-	-	-	-	-	100	-	3,800	3,800	3,900	14,000
Travel and meetings	11,043	782	3	1	10	2,846	7,976	22,661	19,746	-	19,746	42,407	365,186
Office supplies and other	29,275	5,737	7,226	3,847	2,552	8,369	8,028	65,034	30,078	2,364	32,442	97,476	157,142
Credit card merchant fees	31,551	30	-	1,226	1,416	522	79	34,824	10,770	1,065	11,835	46,659	137,675
Insurance	22,136	5,421	3,565	855	2,980	6,789	3,068	44,814	16,911	1,054	17,965	62,779	58,600
Equipment rental and repairs (Note 8A)	13,294	2,014	1,153	291	1,668	2,489	2,200	23,109	8,605	653	9,258	32,367	35,090
Telecommunications	23,074	7,973	3,570	996	2,462	5,028	3,139	46,242	23,368	939	24,307	70,549	83,258
Postage	54,375	259	1,007	36	49	1,145	619	57,490	5,825	694	6,519	64,009	161,956
Printing	10,420	7,005	1,044	188	909	880	3,831	24,277	6,042	1,606	7,648	31,925	101,918
Depreciation and amortization (Note 5)	59,891	14,804	9,657	2,255	6,186	19,418	8,048	120,259	46,486	2,255	48,741	169,000	98,730
Bad debt expense	4,278	-	-	-	-	-	-	4,278	-	-	-	4,278	12,089
Subtotal	2,833,155	819,518	443,708	358,226	354,491	876,679	452,230	6,138,007	2,651,999	199,498	2,851,497	8,989,504	10,179,503
Participant expenses (Note 2J)	658,353	397,177	379,661	532,004	468,964	609,068	12,565	3,057,792	1,433	-	1,433	3,059,225	9,513,364
TOTAL EXPENSES	\$ 3,491,508	\$ 1,216,695	\$ 823,369	\$ 890,230	\$ 823,455	\$ 1,485,747	\$ 464,795	\$ 9,195,799	\$ 2,653,432	\$ 199,498	\$ 2,852,930	\$ 12,048,729	\$ 19,692,867

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

	Year Ended December 31, 2019											
	Program Services							Supporting Services				
	Inbound Programs				Reciprocal and Outbound Programs			Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total 2019
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
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
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
Rent (Note 8A)	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
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
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
Program partner fees	5,407	-	-	98,634	5,415	-	14,126	123,582	(12,606)	15,356	2,750	126,332
Donated professional services (Note 2I)	-	-	-	-	-	-	-	-	14,000	-	14,000	14,000
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
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
Credit card merchant fees	112,834	198	551	8,516	385	217	674	123,375	11,941	2,359	14,300	137,675
Insurance	23,487	4,411	2,205	168	3,638	3,617	3,988	41,514	15,432	1,654	17,086	58,600
Equipment rental and repairs (Note 8A)	14,373	2,410	957	1,952	1,977	2,415	2,376	26,460	7,829	801	8,630	35,090
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
Postage	148,323	1,265	102	552	35	3,884	2,903	157,064	4,094	798	4,892	161,956
Printing	37,628	9,054	2,213	-	3,266	3,620	6,551	62,332	35,358	4,228	39,586	101,918
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
Bad debt expense	-	-	-	-	-	-	-	-	12,089	-	12,089	12,089
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
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
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

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, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 126,499	\$ 1,551,442
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Bad debt expense	4,278	12,089
Depreciation and amortization	169,000	98,730
Contributions restricted for endowment	-	(7,809)
Realized gain on investments	(294,721)	(111,497)
Unrealized gain on investments	(899,383)	(1,278,161)
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Accounts receivable, net	748,901	(736,616)
Prepaid expenses and other assets	104,261	113,002
Security deposits	120,316	-
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(373,786)	14,893
Deposits from participants	(209,940)	62,087
Deferred revenue	(840,625)	123,799
Deferred rent	50,637	240,258
Advances from grantors	15,601	685,545
Net Cash (Used in) Provided by Operating Activities	(1,278,962)	767,762
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(248,732)	(151,459)
Proceeds from sale of investments	1,000,000	600,000
Purchases of investments	(223,800)	(261,012)
Net Cash Provided by Investing Activities	527,468	187,529
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for endowment	-	7,809
Net Cash Provided by Financing Activities	-	7,809
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(751,494)	963,100
Cash and cash equivalents - beginning of year	1,345,423	382,323
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 593,929	\$ 1,345,423

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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 2020: 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 149 IVLP participants in 2020.
 - 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 youth leadership development initiative focused on strengthening linkages across the Pacific and the United States, reinforcing the U.S. commitment to the Pacific region. Sponsored by the U.S. Department of State and organized in partnership with CV, YPL programs include regional conferences, workshops, and a small grants program. These programs engage emerging leaders, ages 25-35, to help harness the extraordinary potential of young people in the region to address critical challenges and expand opportunities related to the core YPL pillars: Education, Environment and Resource Management, Civic Leadership, and Economic and Social Development. Cultural Vistas began administering the 2020 YPL Conference set to occur in Papua New Guinea in April 2020, but was postponed due to the COVID-19 global health pandemic. The conference is planned to take place virtually in May 2021, with another round of small grants programming to open in June 2021.

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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. 2020 marked the final year of the program.
- 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 and Ireland. 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.
- **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. Government grants and contracts and contributions are nonexchange transactions and accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08. Grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return/release from obligation. There are instances when CV receives advances from the governmental funding sources and/or foundations. Such advances are recorded as refundable advances in the accompanying consolidated statements of financial position.

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of December 31, 2020 and 2019, CV received conditional grants and contracts from government agencies in the aggregate amount of \$7,919,037 and \$8,703,363, respectively. Such grants have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and CV may be required to return the funds already remitted.

CV derives a significant portion of its support and revenue from contractual arrangements with government sources. Such revenue approximated 34% and 38% of total support and revenue for the years ended December 31, 2020 and 2019, respectively. Pursuant to CV's contractual relationships with certain governmental funding sources, governmental agencies have the right to renegotiate terms relating to these contracts. The amount of any disallowance by a funding source cannot be determined at this time due to the inherent uncertainties in estimating some of these liabilities. However, management believes that the allowances for potential adjustments are adequate and the net impact of any such adjustments on the accompanying financial statements would be immaterial.

- 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 and amortization. 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, 2020 and 2019, CV recorded an increase to rent expense to reflect its straight-lining policy that amounted to \$105,454 and \$217,975, respectively. CV also leases real property Washington, DC. For the years ended December 31, 2020 and 2019, CV recorded a (decrease) increase to rent expense at this location to reflect its straight-lining policy that amounted to \$(54,817) and \$22,283, 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 \$3,900 and \$14,000, as in-kind contributions and donated professional fees in the accompanying consolidated statements of activities and functional expenses for the years ended December 31, 2020 and 2019, respectively.
- J. CV recognizes revenue for program administration fees and program revenues in accordance with FASB ASC Topic 606. Program administration fee revenue includes administrative fees paid for participation in the programs that CV offers, as described in Note 1, and includes such items as insurance and application fees. Revenues are recognized over the period of the program. Program revenues represent revenues directly related to implementing the exchange program activities that CV offers and are recognized at the point when CV satisfies related performance obligations. 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.

**CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- K. As of December 31, 2020 and 2019, CV determined that an allowance for doubtful accounts of \$9,957 and \$6,804, 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.
- 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.

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 services 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, 2020 and 2019, financial assets available to meet general expenditures over the next year were as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 593,929	\$ 1,345,423
Accounts receivable, net	623,144	1,376,323
Investments not included in endowment funds	<u>9,654,330</u>	<u>9,364,534</u>
	<u>\$ 10,871,403</u>	<u>\$ 12,086,280</u>

NOTE 4 – INVESTMENTS

Investments consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Mutual funds	<u>\$ 11,052,979</u>	<u>\$ 10,635,075</u>
	<u>\$ 11,052,979</u>	<u>\$ 10,635,075</u>

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

**CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 4 – INVESTMENTS (Continued)

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

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 244,024	\$ 280,704
Realized gain on investments	294,721	111,497
Unrealized gain on investments	899,383	1,278,161
Investment fees	<u>(20,378)</u>	<u>(20,146)</u>
	<u>\$ 1,417,750</u>	<u>\$ 1,650,216</u>

NOTE 5 – PROPERTY AND EQUIPMENT

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

	<u>2020</u>	<u>2019</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 1,134,427	\$ 1,054,666	3-8 years
Leasehold improvements	<u>348,272</u>	<u>364,102</u>	15 years
Total	1,482,699	1,418,768	
Less: Accumulated depreciation and amortization	<u>(704,424)</u>	<u>(720,225)</u>	
Net book value	<u>\$ 778,275</u>	<u>\$ 698,543</u>	

Depreciation and amortization expense amounted to \$169,000 and \$98,730 for the years ended December 31, 2020 and 2019, respectively. During the years ended December 31, 2020 and 2019, CV wrote off fully depreciated and fully amortized assets amounting to \$184,801 and \$20,744, 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, 2020 and 2019, amounted to \$30,923 and \$68,736, respectively.

NOTE 7 – ENDOWMENT NET ASSETS

Net assets with donor restrictions include unappropriated earnings from endowment funds amounting to \$224,810 and \$149,391 as of December 31, 2020 and 2019, 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.

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7 – ENDOWMENT NET ASSETS (Continued)

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, 2020 and 2019.

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.

Changes in endowment net assets were as follows for the year ended December 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
Investment activity	\$ -	\$ 77,419	\$ 77,419
Appropriations of endowment earnings	-	(2,000)	(2,000)
Earnings from Board-designated funds	<u>52,689</u>	<u>-</u>	<u>52,689</u>
Total change in endowment net assets	52,689	75,419	128,108
Endowment net assets, beginning of year	<u>497,582</u>	<u>772,959</u>	<u>1,270,541</u>
Endowment net assets, end of year	<u>\$ 550,271</u>	<u>\$ 848,378</u>	<u>\$ 1,398,649</u>

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>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

A. CV has an operating lease in New York City expiring in March 2034. 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 FASB ASC Topic 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.

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)

Future minimum rental commitments for the years ending subsequent to December 31, 2020 are as follows:

	<u>Real Property</u>	<u>Equipment</u>	<u>Total</u>
2021	\$ 1,219,621	\$ 18,000	\$ 1,237,621
2022	1,353,825	18,000	1,371,825
2023	1,480,470	15,000	1,495,470
2024	1,474,557	-	1,474,557
2025	1,316,906	-	1,316,906
Thereafter	<u>6,987,000</u>	<u>-</u>	<u>6,987,000</u>
	<u>\$ 13,832,379</u>	<u>\$ 51,000</u>	<u>\$ 13,883,379</u>

Rent expense amounted to \$1,453,637 and \$1,400,351 for the years ended December 31, 2020 and 2019, respectively, and is included in rent expense in the accompanying consolidated statements of functional expenses. Equipment lease expense amounted to approximately \$25,000 and \$27,000 for the years ended December 31, 2020 and 2019, respectively, and is included in equipment rental and repairs expense in the accompanying consolidated statements of functional expenses.

- B. CV subleases a portion of its Washington, DC space expiring September 30, 2025 and received rental income of approximately \$254,000 and \$217,000 for the years ended December 31, 2020 and 2019, 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 subleases for the years ending after December 31, 2020 are as follows:

2021	\$ 214,193
2022	190,779
2023	191,858
2024	199,533
2025	207,514
Thereafter	<u>52,382</u>
	<u>\$ 1,056,259</u>

- C. CV believes it has no uncertain tax positions as of December 31, 2020 and 2019 in accordance with FASB ASC Topic 740, Income Taxes, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- D. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on CV's operations and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, CV is currently unable to fully determine the extent of COVID-19's impact on its operations in future periods. Management continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operation.

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)

E. On April 30, 2020, CV received loan proceeds in the amount of \$1,215,900 under the Paycheck Protection Program (“PPP”) established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) if the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period.

CV has opted to account for the PPP loan as a conditional contribution under FASB ASC Topic 958-605. CV believes that it has met all of the conditions for forgiveness of the PPP loan as of December 31, 2020 and recognized revenue amounting to \$1,215,557. On March 1, 2021, CV received forgiveness for the entire amount.

On March 17, 2021, CV was approved for a second-draw PPP loan amounting to \$1,215,924. The terms and conditions of the second-draw loan are the same as the first loan.

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 \$408,000 and \$1,086,000 as of December 31, 2020 and 2019, 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 Topic FASB ASC Topic 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.

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, 2020 and 2019.

CULTURAL VISTAS, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 10 – FAIR VALUE MEASUREMENTS (Continued)

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 are classified in the tables below as of December 31:

	<u>2020 – Level 1</u>	<u>2019 – Level 1</u>
Mutual funds	<u>\$ 11,052,979</u>	<u>\$ 10,635,075</u>
	<u>\$ 11,052,979</u>	<u>\$ 10,635,075</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 13, 2021, the date the consolidated financial statements were available to be issued.

During March 2021, CV entered into a five-year sublease agreement for the New York office. Per FASB ASC 840-20- 25-15, if costs expected to be incurred under an operating sublease exceed anticipated revenue on the operating sublease, a loss shall be recognized by the sublessor in the year the agreement was signed. During 2021, CV will record this loss of approximately \$1 million.

CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
(With Comparative Totals for December 31, 2019)

	As of December 31, 2020			
	Cultural Vistas United States	Cultural Vistas gGmbH	Consolidated Total 2020	Consolidated Total 2019
ASSETS				
Cash and cash equivalents	\$ 468,471	\$ 125,458	\$ 593,929	\$ 1,345,423
Accounts receivable, net	623,144	-	623,144	1,376,323
Investments	11,052,979	-	11,052,979	10,635,075
Prepaid expenses and other assets	293,539	61	293,600	397,861
Security deposits	227,489	20,038	247,527	367,843
Property and equipment, net	<u>767,092</u>	<u>11,183</u>	<u>778,275</u>	<u>698,543</u>
TOTAL ASSETS	<u>\$ 13,432,714</u>	<u>\$ 156,740</u>	<u>\$ 13,589,454</u>	<u>\$ 14,821,068</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 222,151	\$ 10,862	\$ 233,013	\$ 606,799
Deposits from participants	91,239	-	91,239	301,179
Deferred revenue	147,351	-	147,351	987,976
Deferred rent	1,256,989	-	1,256,989	1,206,352
Advances from grantors	<u>1,949,381</u>	<u>-</u>	<u>1,949,381</u>	<u>1,933,780</u>
TOTAL LIABILITIES	<u>3,667,111</u>	<u>10,862</u>	<u>3,677,973</u>	<u>5,036,086</u>
NET ASSETS				
Without donor restrictions:				
Operating	8,366,954	145,878	8,512,832	8,514,441
Board designated scholarship fund	<u>550,271</u>	<u>-</u>	<u>550,271</u>	<u>497,582</u>
Total without donor restrictions	<u>8,917,225</u>	<u>145,878</u>	<u>9,063,103</u>	<u>9,012,023</u>
With donor restrictions:				
Unappropriated endowment earnings	224,810	-	224,810	149,391
Endowment corpus	<u>623,568</u>	<u>-</u>	<u>623,568</u>	<u>623,568</u>
Total with donor restrictions	<u>848,378</u>	<u>-</u>	<u>848,378</u>	<u>772,959</u>
TOTAL NET ASSETS	<u>9,765,603</u>	<u>145,878</u>	<u>9,911,481</u>	<u>9,784,982</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,432,714</u>	<u>\$ 156,740</u>	<u>\$ 13,589,454</u>	<u>\$ 14,821,068</u>

**CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)**

	Year Ended December 31, 2020						
	Cultural Vistas United States			Cultural Vistas gGmbH			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Consolidating Eliminations	Consolidated 2020	Consolidated 2019
OPERATING SUPPORT AND REVENUE:							
Program administration fees	\$ 3,792,319	\$ -	\$ 3,792,319	\$ 456,593	\$ -	\$ 4,248,912	\$ 8,105,573
Program revenues	1,366,309	-	1,366,309	10,000	-	1,376,309	3,734,396
Program partner fees	-	-	-	55,780	(55,780)	-	-
Government contracts	3,508,952	-	3,508,952	-	-	3,508,952	7,417,284
Paycheck protection program forgiveness	1,215,557	-	1,215,557	-	-	1,215,557	-
Contributions	123,454	-	123,454	9,171	-	132,625	-
Special events (net of direct expenses of \$0 and \$96,965, respectively)	-	-	-	-	-	-	24,384
Contributed services	3,900	-	3,900	-	-	3,900	81,392
Rental income	254,285	-	254,285	-	-	254,285	14,000
Other income	-	-	-	16,938	-	16,938	217,064
Net assets released from restrictions	2,000	(2,000)	-	-	-	-	-
TOTAL OPERATING SUPPORT AND REVENUE	10,266,776	(2,000)	10,264,776	548,482	(55,780)	10,757,478	19,594,093
OPERATING EXPENSES:							
Program services:							
Train USA and WEST Programs	3,494,755	-	3,494,755	2,331	(5,578)	3,491,508	6,029,679
International Visitor Leadership Program	1,216,695	-	1,216,695	-	-	1,216,695	3,902,277
Edmund S. Muskie Internship Program	823,369	-	823,369	-	-	823,369	887,715
Short-term Programs	858,006	-	858,006	32,224	-	890,230	2,297,065
Robert Bosch and Alfa Fellowships	772,686	-	772,686	61,925	(11,156)	823,455	1,534,732
Congress-Bundestag Youth Exchange	1,171,964	-	1,171,964	313,783	-	1,485,747	1,242,410
Internships Abroad and IAESTE and CV Fellows Program	450,772	-	450,772	25,179	(11,156)	464,795	801,275
Total program services	8,788,247	-	8,788,247	435,442	(27,890)	9,195,799	16,695,153
Supporting services:							
Management and general	2,639,562	-	2,639,562	41,760	(27,890)	2,653,432	2,530,382
Fundraising	199,498	-	199,498	-	-	199,498	467,332
Total supporting services	2,839,060	-	2,839,060	41,760	(27,890)	2,852,930	2,997,714
TOTAL OPERATING EXPENSES	11,627,307	-	11,627,307	477,202	(55,780)	12,048,729	19,692,867
CHANGE IN NET ASSETS FROM OPERATIONS	(1,360,531)	(2,000)	(1,362,531)	71,280	-	(1,291,251)	(98,774)
NON-OPERATING REVENUE:							
Investment activity	1,340,331	77,419	1,417,750	-	-	1,417,750	1,650,216
TOTAL NON-OPERATING REVENUE	1,340,331	77,419	1,417,750	-	-	1,417,750	1,650,216
CHANGE IN NET ASSETS	(20,200)	75,419	55,219	71,280	-	126,499	1,551,442
Net assets - beginning of year	8,937,425	772,959	9,710,384	74,598	-	9,784,982	8,233,540
NET ASSETS - END OF YEAR	\$ 8,917,225	\$ 848,378	\$ 9,765,603	\$ 145,878	\$ -	\$ 9,911,481	\$ 9,784,982

CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

Year Ended December 31, 2020

	Cultural Vistas United States								Cultural Vistas gGmbH											
	Program Services				Supporting Services				Supporting Services				Supporting Services				Consolidated Total 2020	Consolidated Total 2019		
	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	Consolidating Eliminations						
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	\$ 1,614,494	\$ 496,898	\$ 242,189	\$ 208,181	\$ 185,436	\$ 360,952	\$ 258,720	\$ 3,366,870	\$ 1,412,109	\$ 123,181	\$ 1,535,290	\$ 4,902,160	\$ 332,343	\$ 28,526	\$ -	\$ 28,526	\$ 360,869	\$ -	\$ 5,263,029	\$ 5,635,086
Payroll taxes and employee benefits	391,584	116,623	57,868	47,201	35,157	79,339	33,552	761,324	309,694	24,913	334,607	1,095,931	197	787	-	787	984	-	1,096,915	1,226,888
Total Salaries and Related Costs	2,006,078	613,521	300,057	255,382	220,593	440,291	292,272	4,128,194	1,721,803	148,094	1,869,897	5,998,091	332,540	29,313	-	29,313	361,853	-	6,359,944	6,861,974
Rent	406,837	123,183	80,770	18,202	39,788	58,081	55,051	781,912	585,984	23,541	609,525	1,391,437	55,264	6,936	-	6,936	62,200	-	1,453,637	1,400,351
Professional and computer services	142,048	33,623	32,457	20,754	17,063	30,887	18,229	295,061	129,687	12,817	142,504	437,565	20,067	557	-	557	20,624	-	458,189	455,990
Payroll processing and other services	18,788	5,166	3,199	616	1,765	4,182	2,666	36,382	16,315	616	16,931	53,313	5,732	3,613	-	3,613	9,345	-	62,658	109,212
Program partner fees	3,324	-	-	21,353	9,483	280	33,217	67,657	17,850	-	17,850	85,507	-	-	-	-	-	(55,780)	29,727	126,332
Donated professional services	100	-	-	-	-	-	-	100	-	3,800	3,800	3,900	-	-	-	-	-	-	3,900	14,000
Travel and meetings	11,043	782	3	1	10	16	7,976	19,831	19,739	-	19,739	39,570	2,830	7	-	7	2,837	-	42,407	365,186
Office supplies and other	29,258	5,737	7,226	3,847	2,362	3,734	7,995	60,159	29,995	2,364	32,359	92,518	4,875	83	-	83	4,958	-	97,476	157,142
Credit card merchant fees	31,521	30	-	1,226	118	74	20	32,989	10,622	1,065	11,687	44,676	1,835	148	-	148	1,983	-	46,659	137,675
Insurance	22,087	5,421	3,565	855	2,304	4,493	2,971	41,696	16,668	1,054	17,722	59,418	3,118	243	-	243	3,361	-	62,779	58,600
Equipment rental and repairs	13,294	2,014	1,153	291	1,668	2,489	2,200	23,109	8,605	653	9,258	32,367	-	-	-	-	-	-	32,367	35,090
Telecommunications	23,063	7,973	3,570	996	2,006	4,580	3,118	45,306	23,315	939	24,254	69,560	936	53	-	53	989	-	70,549	83,258
Postage	54,372	259	1,007	36	19	679	613	56,985	5,811	694	6,505	63,490	505	14	-	14	519	-	64,009	161,956
Printing	10,420	7,005	1,044	188	445	880	3,831	23,813	6,042	1,606	7,648	31,461	464	-	-	464	-	-	31,925	101,918
Depreciation	59,891	14,804	9,657	2,255	6,120	12,230	8,048	113,005	45,693	2,255	47,948	160,953	7,254	793	-	793	8,047	-	169,000	98,730
Bad debt expense	4,278	-	-	-	-	-	-	4,278	-	-	-	4,278	-	-	-	-	-	-	4,278	12,089
Subtotal	2,836,402	819,518	443,708	326,002	303,744	562,896	438,207	5,730,477	2,638,129	199,498	2,837,627	8,568,104	435,420	41,760	-	41,760	477,180	(55,780)	8,989,504	10,179,503
Participant expenses	658,353	397,177	379,661	532,004	468,942	609,068	12,565	3,057,770	1,433	-	1,433	3,059,203	22	-	-	-	22	-	3,059,225	9,513,364
TOTAL EXPENSES	\$ 3,494,755	\$ 1,216,695	\$ 823,369	\$ 858,006	\$ 772,686	\$ 1,171,964	\$ 450,772	\$ 8,788,247	\$ 2,639,562	\$ 199,498	\$ 2,839,060	\$ 11,627,307	\$ 435,442	\$ 41,760	\$ -	\$ 41,760.00	\$ 477,202	\$ (55,780)	\$ 12,048,729	\$ 19,692,867

**CULTURAL VISTAS, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Year Ended December 31, 2019

	Cultural Vistas United States								Cultural Vistas gGmbH				Consolidated Total 2019						
	Program Services				Supporting Services				Supporting Services										
	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	Consolidating Eliminations
	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
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
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
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
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
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
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
Donated professional services	-	-	-	-	-	-	-	-	14,000	-	14,000	14,000	-	-	-	-	-	-	14,000
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
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
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
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
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
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
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
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
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
Bad debt expense	-	-	-	-	-	-	-	-	12,089	-	12,089	12,089	-	-	-	-	-	-	12,089
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
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
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