

NORTH AMERICAN LIAISON BUREAU, INC.  
FINANCIAL REPORT

Years Ended June 30, 2013 and 2012

## CONTENTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	5
Notes to Financial Statements	6
SUPPLEMENTAL INFORMATION	
Schedules of Management and General Expenses	11
Schedule of Named Funds	12

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
North American Liaison Bureau, Inc.  
Penney Farms, Florida

We have reviewed the accompanying statements of financial position of North American Liaison Bureau, Inc., a not-for-profit corporation (the "Organization"), as of June 30, 2013 and 2012 and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

As discussed in Note 8, accounting principles generally accepted in the United States of America require that costs of providing the various programs should include the allocation of indirect expenses. Management does not allocate these expenses. This departure from generally accepted accounting principles does not affect the change in net assets.

Based on our reviews, except for the effects of not allocating indirect expenses, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our reviews were made for the purpose of expressing limited assurance that no material modifications should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The accompanying supplemental information shown on pages 11 and 12 is presented for the purposes of additional analysis. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements and we are not aware of any material modifications that should be made thereto.

*Kresge, Platt & Abare, PLLC*

October 2, 2013  
St. Augustine, Florida

NORTH AMERICAN LIAISON BUREAU, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2013 AND 2012

ASSETS

	2013	2012
ASSETS		
Cash	\$ 216,792	\$ 293,567
Investments	951,877	802,824
TOTAL ASSETS	\$ 1,168,669	\$ 1,096,391

LIABILITIES AND NET ASSETS

LIABILITIES		
Due to UPC	\$ 1,629	\$ -
TOTAL LIABILITIES	1,629	-

NET ASSETS		
Unrestricted	99,983	94,344
Temporarily restricted	1,067,057	1,002,047
TOTAL NET ASSETS	1,167,040	1,096,391
TOTAL LIABILITIES AND NET ASSETS	\$ 1,168,669	\$ 1,096,391

See accompanying notes and independent accountants' review report

NORTH AMERICAN LIAISON BUREAU, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT			
Contributions	\$ 38,835	\$ 159,758	\$ 198,593
Investment income	28	21,723	21,751
Realized and unrealized gain (loss), net	-	71,218	71,218
Total revenues and support	38,863	252,699	291,562
NET ASSETS RELEASED FROM RESTRICTIONS	188,279	(188,279)	-
EXPENSES			
Scholarship program	84,758	-	84,758
Medical School program	116,197	-	116,197
Medical Emergency program	0	-	-
UPC administration	50	-	50
Management and general	19,908	-	19,908
Total expenses	220,913	-	220,913
CHANGE IN NET ASSETS	6,229	64,420	70,649
NET ASSETS, BEGINNING	94,344	1,002,047	1,096,391
TRANSFERS OF FUNDS	(590)	590	-
NET ASSETS, ENDING	\$ 99,983	\$ 1,067,057	\$ 1,167,040

See accompanying notes and independent accountants' review report

NORTH AMERICAN LIAISON BUREAU, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT</b>			
Contributions	\$ 52,101	\$ 203,846	\$ 255,947
Investment income	31	18,110	18,141
Realized and unrealized gain (loss), net	-	(6,615)	(6,615)
Total revenues and support	52,132	215,341	267,473
NET ASSETS RELEASED FROM RESTRICTIONS	85,850	(85,850)	-
 <b>EXPENSES</b>			
Scholarship program	92,032	-	92,032
Medical School program	3,580	-	3,580
Medical Emergency program	150	-	150
UPC administration	3,140	-	3,140
Management and general	21,098	-	21,098
Total expenses	120,000	-	120,000
CHANGE IN NET ASSETS	17,982	129,491	147,473
NET ASSETS, BEGINNING	77,075	871,843	948,918
TRANSFERS OF FUNDS	(713)	713	-
NET ASSETS, ENDING	\$ 94,344	\$ 1,002,047	\$ 1,096,391

See accompanying notes and independent accountants' review report

NORTH AMERICAN LIAISON BUREAU, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 70,649	\$ 147,473
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gain(loss) on investments	(71,218)	6,615
Due to UPC	1,629	-
Net cash provided by operating activities	1,060	154,088
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of securities	(95,505)	(124,477)
Proceeds from the sale of securities	17,670	15,840
Net cash used by investing activities	(77,835)	(108,637)
 NET INCREASE (DECREASE) IN CASH	(76,775)	45,451
CASH, BEGINNING	293,567	248,116
CASH, ENDING	\$ 216,792	\$ 293,567

See accompanying notes and independent accountants' review report

NORTH AMERICAN LIAISON BUREAU, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

The accompanying financial statements present the accounts and activities of North American Liaison Bureau, Inc. (the "Organization"), a Florida not-for-profit corporation. The Organization coordinates and supports awareness and fundraising projects that enhance the image and presence of the Universite Protestante au Congo ("UPC").

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions

In accordance with FASB ASC 958, *Financial Statements of Not-for-Profit Entities*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Under FASB ASC 958, contributions that are required to be reported as temporarily restricted support are then reclassified to unrestricted net assets upon expiration of time restrictions or satisfaction of donor restrictions.

Classification of Net Assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its ASC 958-210. Under FASB ASC 958-210, North American Liaison Bureau, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The assets, liabilities, and net assets of North American Liaison Bureau, Inc. are reported in net asset classes as follows:

- a) Unrestricted net assets are resources over which the Board of Directors (the "Board") has discretionary control including those unrestricted net assets invested in property and equipment at the direction of the Board.
- b) Temporarily restricted net assets are subject to donor-imposed stipulation that may or will be met by actions of North American Liaison Bureau, Inc. and/or the passage of time. After the donor-imposed time or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported within the statement of activities as net assets released from restrictions.
- c) Permanently restricted net assets are limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of North American Liaison Bureau, Inc. At June 30, 2013 and 2012, there were no permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of 90 days or less.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated. The nature of these estimates, however, is such that variances from actual results are held to be immaterial.



NORTH AMERICAN LIAISON BUREAU, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

All financial instruments are carried at amounts that approximate estimated fair value.

Financial Accounting Standards Board ASC 820, *Fair Value Measurement* ("ASC 820"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2

Inputs to the valuation methodology are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable for the asset or liability. Unobservable inputs are defined as inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

Investments

Investments are composed of publicly-traded equities, common stock and mutual funds and are carried at fair value.

Donated Materials and Services

North American Liaison Bureau, Inc. records the value of donated goods or services when there is an objective basis available to measure their value. Donated services of a professional or skilled nature are presented at the estimated value of such services. Donated materials and equipment are reflected in the accompanying statements at their estimated value at date of receipt.

Additionally, a number of volunteers periodically donate significant amounts of time to the Organization. No amounts have been reflected in the statements for these contributed services since the contribution of these services did not create or enhance non-financial assets or require specialized skills.

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

NORTH AMERICAN LIAISON BUREAU, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Uncertain tax position

The Organization has adopted FASB ASC 740-10, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on analyses of various federal and state filing positions of the Organization, management believes that its income tax filing positions and deductions are well documented and supported. As of June 30, 2013, the Organization had no uncertain tax positions that would qualify for either recognition or disclosure in the financial statements. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to FASB ASC 740-10. In addition, no cumulative effect adjustment related to the adoption of FASB ASC 740-10 was recorded.

There have been no increases or decreases in unrecognized tax benefits for current or prior years since the date of adoption. Furthermore, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months. When applicable, such interest and penalties will be reported as income tax expense. At June 30, 2013, the periods that remain open to examination under federal statute are 2009 through 2011.

NOTE 3 NET ASSETS RELEASED FROM RESTRICTIONS

Temporarily restricted net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Temporarily restricted net assets released during the year ended June 30, 2013 and 2012 were utilized for the following purposes:

	<u>2013</u>	<u>2012</u>
Designated scholarships	\$ 72,002	\$ 77,932
Medical Emergency program	-	150
Medical School program	116,227	3,580
Faculty	50	3,000
Development	-	1,188
Total	<u>\$ 188,279</u>	<u>\$ 85,850</u>

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Scholarships	\$ 957,041	\$ 811,203
Medical School program	104,056	184,884
Development	3,710	3,710
Campus internet	2,250	2,250
Total	<u>\$ 1,067,057</u>	<u>\$ 1,002,047</u>

NOTE 5 INVESTMENT RETURN OBJECTIVES, STRATEGIES AND RISK PARAMETERS

The Organization has adopted investment and spending policies for the assets associated with named funds that are structured for long-term total return in order to primarily fund its scholarship programs. Under this policy, as approved by the Board of Directors, the assets associated with these named funds are invested in a manner to produce earnings while assuming a level of investment risk approved by the Board of Directors. The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NORTH AMERICAN LIAISON BUREAU, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 INVESTMENT SPENDING POLICY

At the discretion of the Board of Directors, investment earnings and corpus can be released for use according to the donor's restriction, namely a specific category of scholarships. Annually, the Board of Directors determines amounts to be expended for scholarships based on the specific needs of the University and other criteria at year end.

NOTE 7 INVESTMENTS

Investments are stated at fair value which was determined by reference to quoted market prices for similar investments, yield curves and other relevant information. The value assigned to investments received by gift is the fair value at the date of donation. The investments all qualify as level one investments within the fair value hierarchy. Cost and fair value of investments are as follows as of June 30, 2013 and 2012.

2013			
	Cost	Fair Value	Unrealized Gain
Mutual Funds	<u>\$ 838,277</u>	<u>\$ 951,877</u>	<u>\$ 113,600</u>
2012			
	Cost	Fair Value	Unrealized Gain
Mutual Funds	<u>\$ 754,766</u>	<u>\$ 802,824</u>	<u>\$ 48,058</u>

Named funds totaling \$954,372 and \$809,074 at June 30, 2013 and 2012, respectively, include cash in the amount of \$2,495 at June 30, 2013 (\$6,250 at June 30, 2012). The following schedule summarizes the investment return on named funds, exclusive of cash, included in the temporarily restricted net assets and on the statements of activities for the years ended June 30, 2013 and 2012:

	Temporarily Restricted
Named funds included in temporarily restricted net assets, June 30, 2011	<u>\$ 700,802</u>
Investment return	
Investment income (reinvested)	17,729
Net depreciation (realized and unrealized)	<u>(6,615)</u>
Total investment return	<u>11,114</u>
Net purchases, exclusive of reinvested income	106,748
Net redemptions	<u>(15,840)</u>
Named funds included in temporarily restricted net assets, June 30, 2012	<u>802,824</u>
Investment return	
Investment income (reinvested)	27,157
Net appreciation (realized and unrealized)	<u>65,542</u>
Total investment return	<u>92,699</u>
Net purchases, exclusive of reinvested income	74,024
Net redemptions	<u>(17,670)</u>
Named funds included in temporarily restricted net assets, June 30, 2013	<u>\$ 951,877</u>

NOTE 8 FUNCTIONAL ALLOCATION OF EXPENSES

Accounting principles generally accepted in the United States of America require that costs of providing the various programs should include the allocation of indirect expenses which relate to one program or a combination of programs. Management does not allocate these expenses to the various programs.

NORTH AMERICAN LIAISON BUREAU, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 9            CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances with high quality financial institutions. Accounts at these institutions currently are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times, such balances may be in excess of the FDIC insurance limits. The Organization does not believe it is exposed to any significant credit risk on its cash and cash equivalents. There were no balances in excess of insured amounts at June 30, 2013.

NOTE 10          SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through October 2, 2013. No events were identified as necessary to be disclosed to keep these financial statements from being misleading or that provide additional evidence about conditions that existed at June 30, 2013, including estimates inherent in the process of preparing these financial statements.

SUPPLEMENTAL INFORMATION

NORTH AMERICAN LIAISON BUREAU, INC.  
SCHEDULES OF MANAGEMENT AND GENERAL EXPENSES  
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Accounting fees	\$ 5,500	\$ 4,950
Bank charges	308	134
Board meeting expense	8,017	7,530
Design and layout	1,250	-
Licenses	61	61
Mailing and postage	157	441
Office supplies	182	253
Operating expenses	2,010	1,188
Printing	2,423	2,100
Taxes	-	-
Travel	-	4,441
Total	<u>\$ 19,908</u>	<u>\$ 21,098</u>

See independent accountants' review report

NORTH AMERICAN LIAISON BUREAU, INC.  
SCHEDULE OF NAMED FUNDS  
JUNE 30, 2013

Certain donations are contributed to funds named for the donors or in memorial. It is the intention that the donations will be invested for a period of time designated by the Board of Directors in order to generate additional income. There are no permanent restrictions on the corpus of donations. The timing of expenditures is subject to board discretion. At June 30, 2013, the fair market value of each named fund appears below.

	Balance		Scholarships	Balance
	June 30, 2012	Additions	Paid	June 30, 2013
Baker	\$ 25,198	\$ 3,287	\$ (730)	\$ 27,755
Beeman	-	20,741	-	20,741
Bobb, Mary	14,050	2,609	(370)	16,289
Bokeleale	8,701	950	(250)	9,401
Booth	27,745	3,129	(800)	30,074
Cardwell WD	60,353	15,674	(1,480)	74,547
Cardwell SW	60,353	15,674	(1,480)	74,547
Cobble R	29,533	3,225	(850)	31,908
Culp	-	5,359	-	5,359
Decker	1,239	415	-	1,654
Hartsfield	23,586	2,575	(680)	25,481
Henry, Alice	18,930	4,249	-	23,179
Hobgood, B & B	31,980	3,558	-	35,538
Hobgood, HC & TA	23,671	3,585	(680)	26,576
Inkima	21,186	2,313	(610)	22,889
Ishaku	70,857	9,732	(2,030)	78,559
Liechty	10,000	1,649	-	11,649
Loewen	28,815	5,292	(800)	33,307
McKee	20,398	7,284	-	27,682
Nondi & Luta (J&J Clark)	23,154	2,528	(670)	25,012
Olson	175	2,153	-	2,328
Richey	9,345	3,444	-	12,789
Ross, Mabel	18,951	2,069	(540)	20,480
Ross World Mission	80,423	8,780	(2,330)	86,873
Shafe	42,696	4,675	(1,050)	46,321
Spencer	26,456	2,943	-	29,399
Stanley	19,500	10,359	-	29,859
TASOK	7,500	1,962	-	9,462
Wanjola/Barger	15,725	1,750	-	17,475
Watson	23,212	2,534	(670)	25,076
Weeks	35,960	4,089	(1,010)	39,039
Whitmer	22,411	2,448	(640)	24,219
Williams K/Mama Losangya	6,971	1,934	-	8,905
Total	<u>\$ 809,074</u>	<u>\$ 162,968</u>	<u>\$ (17,670)</u>	<u>\$ 954,372</u>

See independent accountants' review report