

# UGANDA CHRISTIAN UNIVERSITY PARTNERS

## AUDITED FINANCIAL STATEMENTS & NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

### **PETERSON & COMPANY, LLP**

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TEXAS SOCIETY OF CERTIFIED  
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September 30, 2008

Ms. Diane Stanton  
Executive Director  
Uganda Christian University  
P.O. Box 38333  
Dallas, Texas USA

Re: Uganda Christian University Partners

Enclosed please find the audit reports for the above referenced entity for the years ended 2007 and 2006.

Please be sure to call with any questions.

Sincerely,

Daniel A. Peterson,  
CPA

**Uganda Christian University Partners  
Audited Financial Statements  
December 31, 2007 & 2006**

**TABLE OF CONTENTS**

Auditors' Report	2
Financial Statements	
Statement of Net Assets Available for Plan Benefits	3
Statement of Changes in Net Assets Available for Plan Benefits	4
Notes to Financial Statements	6

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Uganda Christian University Partners

We have audited the accompanying statements of financial position of Uganda Christian University Partners (a nonprofit organization) as of December 31, 2007 and 2006 and the related statements of activities, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Uganda Christian University Partners as of December 31, 2007 and 2006 and the changes in its net liabilities and its cash flows for the years then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

September 2, 2008

Dallas, Texas

Uganda Christian University Partners  
Statement of Financial Position  
December 31, 2007 and 2006

	2007	2006
Assets		
Current Assets		
Cash and Equivalents	\$ 151,732	\$ 155,240
Accounts Receivable	-	-
Inventory	-	-
Total Current Assets	151,732	155,240
Property, Plant & Equipment	-	-
Other Assets	-	-
Total Assets	\$ 151,732	\$ 155,240
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Other Current Liabilities	-	2,055
Total Current Liabilities	-	2,055
Long-Term Liabilities	-	-
Net Assets		
Unrestricted Funds	42,055	27,361
Temporarily restricted	109,678	125,824
Total Net Assets	151,733	153,185
Total Liabilities and Net Assets	\$ 151,733	\$ 155,240

See accountant's report and notes to financial statements

Uganda Christian University Partners  
Statement of Activities and Changes in Net Assets  
For the year ended  
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
Revenues and support:		
Contributions	\$ 114,968	\$ 106,737
UCU tithe	59,700	59,700
Grants & U.S. Aid	450,000	450,000
Net assets released from restriction	1,047,965	972,321
Interest Income	196	909
Total Revenue and Support	<u>1,672,828</u>	<u>1,589,667</u>
Expense		
Program Expense	1,497,965	1,422,321
Administration	117,657	119,449
Development	<u>42,513</u>	<u>31,916</u>
Total Expenses	<u>1,658,135</u>	<u>1,573,686</u>
Increase (decrease) in unrestricted net assets	<u>\$ 14,693</u>	<u>\$ 15,981</u>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>		
Revenues and support:		
Contributions	1,481,819	\$ 1,405,188
Restrictions satisfied through payment	<u>(1,497,965)</u>	<u>(1,422,321)</u>
Increase (decrease) in temporarily restricted assets	<u>(16,146)</u>	<u>(17,133)</u>
Increase (decrease) in total net assets	(1,453)	(1,152)
Net assets at beginning of year	<u>153,185</u>	<u>154,337</u>
Net assets at end of year	<u><u>\$ 151,732</u></u>	<u><u>\$ 153,185</u></u>

See accountant's report and notes to financial statements

Uganda Christian University Partners  
Statement of Cash Flows  
For the year ended December 31, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Change in net assets	\$ (1,453)	\$ (1,152)
Adjustments to reconcile net liabilities to net cash provided by operating activities:		
(Increase) decrease in accounts receivable	-	-
Increase (decrease) in accounts payable	(2,055)	2,055
Increase (decrease) in other current liabilities	-	-
Total adjustments	(2,055)	2,055
Net cash provided (used) by operating activities	(3,508)	903
Cash flows from Investing activities:		
(Increase) decrease in Fixed Assets	-	-
(Increase) decrease in Other Assets	-	-
Net cash provided (used) by Operating activities	-	-
Cash flows from financing activities:		
Principal payments on long-term debt	-	-
Increase on long-term debt	-	-
Net cash provided (used) by financing activities	-	-
Net Increase (decrease) in cash and equivalents	(3,508)	903
Cash and equivalents, beginning of year	155,240	154,337
Cash and equivalents, end of year	\$ 151,732	\$ 155,240

See accountant's report and notes to financial statements

## **UGANDA CHRISTIAN UNIVERSITY PARTNERS NOTES TO FINANCIAL STATEMENTS**

### **1. Summary of Significant Accounting Policies:**

#### **Nature of Organization**

Uganda Christian University Partners (“UCUP”) is a Pennsylvania based not-for-profit charitable organization established on April 3, 2000. The mission of UCUP is to raise public awareness about Uganda Christian University in the United States by seeking material and spiritual support for students through sponsorship; and by procuring funds for buildings and other needed projects in Mukono, Uganda. Support and revenue consist of gifts received for restricted purposes as well as unrestricted gifts. UCUP maintains staffs and also uses volunteers for staffing needs. The board of trustee consists of volunteers from the Christian community.

#### **Basis of Accounting**

The financial statements of UCUP have been prepared on an accrual basis. UCUP has only one operating fund, which represents unrestricted resources for the organization.

UCUP adopted Statements of Financial Accounting Standards (“SFAS”) No. 116 “Accounting for Contributions Received and Contributions Made” and SFAS No. 117 “Financial Statements of Not-for-Profit Organizations.” SFAS No. 116 requires, among other items, that contributions received including unconditional promises to give (pledges), be recorded as receivables and revenues in the period received at their fair values. SFAS No. 116 also requires not-for-profit organizations to distinguish between contributions received that increase unrestricted, temporarily restricted, or permanently restricted net assets, as well as recognition of the expiration of donor-imposed restrictions in the period in which the restrictions expire. SFAS No. 117 establishes standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, a statement of activities and a statement of cash flows. SFAS No. 117 requires classification of net assets (liabilities) and revenues, expenses, gains, and losses into three categories of net assets (unrestricted, temporarily restricted, and permanently restricted) based on the existence or absence of donor-imposed restrictions. The adoption of SFAS No. 117 by UCUP resulted in a different classification of assets, revenues and expenses, fund balances (which are now referred to as net liabilities), and cash flows.

#### **Unrestricted Net Assets**

Unrestricted net assets represent those net assets whose use is not restricted by donors, although their use may be limited in other respects such as by contract or by designation of UCUP’s board.

**UGANDA CHRISTIAN UNIVERSITY PARTNERS  
NOTES TO FINANCIAL STATEMENTS-Continued**

**Temporarily Restricted Net Assets**

Temporarily restricted net assets represent contributions from donors whose use by UCUP is limited by the donors to later periods of time or to specified purposes. During the year ended December 31, 2007, UCUP has a balance of \$109, 678 of temporarily restricted net assets.

**Permanently Restricted Net Assets**

Permanently restricted net assets represent donor contributions which must be maintained by UCUP in perpetuity. During the year ended December 31, 2007, UCUP did not have or receive any permanently restricted net assets.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Inventory**

UCUP's did not have any inventory for the year ended December 31, 2007.

**Property and Equipment**

UCUP's did not have any property and equipment for the year ended December 31, 2007.

**Tax Status**

UCUP is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in these financial statements.

**Concentrations**

UCUP receives its primary funding from general public. UCUP receives some funding from various organizations and churches. At various times throughout the year, the Company had cash balances in excess of federally insured limits of \$100,000.

**UGANDA CHRISTIAN UNIVERSITY PARTNERS  
NOTES TO FINANCIAL STATEMENTS-Continued**

**Fair Value of Financial Instruments**

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

**2. Conditional Promises to Give**

As of December 31, 2007, UCUP did not have any conditional promises to give.

**3. Related Party Transactions**

The accounts receivable from related party consists of expenses paid by UCUP that are to be reimbursed by the University. As of December 31, 2007, UCUP did not have any accounts receivable balance.