

UNITED PLANET CORPORATION

Financial Statements

and

Independent Auditor's Report

December 31, 2011 and 2010

TABLE OF CONTENTS

Independent Auditor’s Report ..... 1

Financial Statements:

    Statements of Financial Position ..... 2

    Statements of Activities ..... 3

    Statements of Cash Flows ..... 4

Notes to Financial Statements ..... 5-8

Supplementary Information ..... 9

65 Walnut Street, Suite 302 · Wellesley Hills, MA 02481  
Toll Free: 866-949-1175 · Office: 781-425-2050  
Direct: 781-425-2056 · Fax: 781-425-2047  
george.roberts@ingle-cpa.com · www.ingle-cpa.com

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
United Planet Corporation  
Boston, Massachusetts

I have audited the accompanying statements of financial position of the United Planet Corporation, a Massachusetts corporation as of December 31, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Planet Corporation as of December 31, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on Page 9 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



George J. Roberts, CPA, PC  
Wellesley Hills, Massachusetts

May 18, 2012

# UNITED PLANET CORPORATION

## Statements of Financial Position December 31, 2011 and 2010

### Assets

	<u>2011</u>	<u>2010</u>
Current assets:		
Cash	\$ 675,215	\$ 597,268
Prepaid insurance	<u>1,817</u>	<u>1,817</u>
Total current assets	<u>677,032</u>	<u>599,085</u>
Property, plant and equipment		
Computer equipment	20,000	20,000
Less: accumulated depreciation	<u>19,588</u>	<u>15,772</u>
	<u>412</u>	<u>4,228</u>
Total assets	<u>\$ 677,444</u>	<u>\$ 603,313</u>

### Liabilities and Net Assets

	<u>2011</u>	<u>2010</u>
Current liabilities:		
Deferred quest revenue	\$ 137,322	\$ 170,947
Accrued program expenses	<u>11,344</u>	<u>13,902</u>
Total current liabilities	<u>148,666</u>	<u>184,849</u>
Net assets:		
Unrestricted	515,553	378,684
Temporarily restricted	<u>13,225</u>	<u>39,780</u>
Total net assets	<u>528,778</u>	<u>418,464</u>
Total liabilities and net assets	<u>\$ 677,444</u>	<u>\$ 603,313</u>

See accompanying notes to financial statements  
and accountant's audit report.

# UNITED PLANET CORPORATION

## Statements of Activities Years ended December 31, 2011 and 2010

	2011			2010
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total	
Revenues and other support:				
Quest fees, net of discounts and reimbursements	\$ 1,028,280	\$ ----	\$ 1,028,280	\$ 844,930
Mongolia grant income	----	89,368	89,368	44,926
Japan foundation grant income	----	70,273	70,273	----
Direct public contributions - general	46,224	----	46,224	42,740
Investment income	2,335	----	2,335	481
Net assets released from restriction	186,196	(186,196)	----	----
Total revenues and direct support	1,263,035	(26,555)	1,236,480	933,077
Expenses:				
Program services	1,071,267	----	1,071,267	866,527
Management and general	54,899	----	54,899	59,732
Total expenses	1,126,166	----	1,126,166	926,259
Decrease in net assets	136,869	(26,555)	110,314	6,818
Net assets, beginning of year	378,684	39,780	418,464	411,646
Net assets, end of year	\$ 515,553	\$ 13,225	\$ 528,778	\$ 418,464

See accompanying notes to financial statements  
and accountant's audit report.

# UNITED PLANET CORPORATION

## Statements of Cash Flows Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
(Decrease)/Increase in net assets	\$ 136,869	\$ 6,818
Adjustments to reconcile excess net assets to net cash provided by operating activities:		
Depreciation expense	3,816	4,000
(Increase) decrease in operating assets:		
Prepaid insurance	----	(144)
Deferred quest revenue	(33,625)	23,669
Accrued program expenses	<u>(2,558)</u>	<u>5,439</u>
Net cash (used in)/provided by operating activities	<u>104,502</u>	<u>39,782</u>
Net cash used in investment activities:		
Purchase of computer equipment	<u>----</u>	<u>----</u>
(Decrease)/Increase in cash	104,502	39,782
Cash at beginning of year	<u>597,268</u>	<u>557,486</u>
Cash at end of year	<u><u>\$ 701,770</u></u>	<u><u>\$ 597,268</u></u>
Interest paid	<u>----</u>	<u>----</u>

See accompanying notes to financial statements  
and accountant's audit report.



## UNITED PLANET CORPORATION

### Notes to Financial Statements Years ended December 31, 2011 and 2010

#### Note 1 –Nature of business.

United Planet Corporation, the “Organization,” is a non-profit public charity, striving to create a world in which all people understand, respect, and support one another. The mission of the Organization is to develop a global network of leaders and volunteers which fosters cross-cultural understanding and addresses shared challenges to unite the world in a community beyond borders. The principle that animates everything the Organization does is the concept of **Relational Diplomacy** -- recognizing that the relationship between people of diverse backgrounds is the basic building block for uniting the world. United Planet's holistic approach integrates international, local, and online initiatives to facilitate ongoing engagement. All United Planet programs create points of access for people of all cultures, nationalities, ages, and socio-economic classes to participate worldwide. Each program feeds into and builds momentum for the other. These initiatives are designed to expose our common human bonds, generate respect and appreciation for our cultural, racial, and religious diversity, and improving and enriching lives worldwide.

For more than a decade, United Planet has brought together thousands of people all over the world in the effort to build cross-cultural understanding and provide vital services to communities in need. United Planet's Quest program brings volunteers to over 40 countries around the world from one week to one year to address key global issues, in areas such as education, healthcare, the environment, and more, while building cross-cultural understanding and forging closer global relationships. United Planet volunteers also engage in a range of locally based and online activities to achieve our global mission.

#### Note 2 - Summary of significant accounting policies.

##### Basis of accounting:

The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

##### Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**UNITED PLANET CORPORATION**  
Notes to Financial Statements  
Years ended December 31, 2011 and 2010

Note 2 – continued.

Financial statement presentation:

The Organization follows the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) subtopic Presentation of Financial Statements for Non-for-Profit Entities. The Organization 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. A description of the three net assets classes follows:

Unrestricted net assets-represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted assets-represent contributions, grants, and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets-represent contributions and other inflows whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Cash and cash equivalents:

The Organization cash and cash equivalents are considered entirely unrestricted and are fully available, at the discretion of management and the Board of Directors required vote, for the Organization to utilize in any of its programs or supporting services. As of December 31, 2011, no restrictions have been imposed by donors on funds received.

The Organization often maintains cash on deposit at the bank in the excess of the federally insured limit. At December 31, 2011, the Organization's uninsured cash balance was \$ 57,035.

Property and equipment:

Property and equipment, purchased and donated, are stated at cost and market value as of the date donated and placed into service. Depreciation is provided using the straight-line cost recovery method for financial reporting purposes. Estimated useful lives are as follows:

Computers and equipment	5 years
-------------------------	---------

Depreciation for the years ended December 31, 2011 and 2010 amounted to \$ 3,816 and \$ 4,000.



**UNITED PLANET CORPORATION**  
Notes to Financial Statements  
Years ended December 31, 2011 and 2010

Note 2 – continued.

Income taxes:

The Organization is a not-for profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

Revenues:

Revenues are generated from program services and contributions. The primary source of program services are from volunteers sponsors totaling \$ 1,074,504 and \$ 887,670 in 2011 and 2010.

Contributions:

The organization records as revenue the following types of contributions, when they are received, at fair value: cash, volunteered services, and gifts in kind. The organization is required to report information regarding its financial position and activities according to the three classes of net asset: permanently restricted, temporarily restricted, and unrestricted. As of December 31, 2011 and 2010, all contributions were in absence of any donor-imposed restrictions except for two grants.

Advertising expense:

The organization relies primarily on written testimonials posted on its website and public speeches given by its volunteers, and members of their own free will. The organization has chosen not to put a monetary value on these testimonials since their effectiveness is impossible to measure. The Organization expenses the advertising and marketing expenses directly. The advertising and marketing expenses totaled \$ 72,043 and \$ 51,498 for the years ended December 31, 2011 and 2010, respectively.

Note 3- Unrestricted net assets.

Unrestricted net assets are available for general business purposes. There are no imposed restrictions on the use of net assets totaling \$515,553 and \$378,684 for the years ended December 31, 2011 and 2010, respectively. The balance of the unrestricted net assets is composed of beginning unrestricted net assets minus the decrease in unrestricted net assets during the year.

**UNITED PLANET CORPORATION**  
Notes to Financial Statements  
Years ended December 31, 2011 and 2010

Note 4 - Commitments.

Travel insurance and partner fees payable:

The organization entered into contracts with several volunteers and four hosting countries participating in various short and long term quests scheduled to commence during the month of January 2012. The corporation incurred travel insurance and partner fee expenses for these participants during 2011 and 2010 of which \$ 0 and \$ 10,446 were outstanding as of December 31, 2011 and 2010, respectively.

Refundable volunteer deposits:

The organization reimburses its' volunteers a \$ 25 as a token of appreciation and goodwill if an evaluation form is completed and returned within 30 days of returning from their excursion. Refunds in the amount of \$ 0 and \$ 0 have yet to be disbursed to volunteers who have submitted forms at year end December 31, 2011 and 2010, respectively.

Deferred quest revenue:

The organization held a total of \$ 137,322 and \$ 170,947 on deposit for volunteers who were scheduled to depart on quests commencing in 2012 and 2011, respectively.

Rental space:

The organization entered into a tenant-at-will operating lease with Tellus Institute for its 11 Arlington Street office in Boston, Massachusetts on October 14, 2004 requiring rent of \$3,150 per month for the year ending December 31, 2011. The total rent expense for the years ended December 31, 2011 and 2010 were \$37,875 and \$37,800, respectively.

Note 5-Evaluation of Subsequent Events.

The organization has evaluated subsequent events through May 18, 2012, the date which the financial statements were available to be issued. No subsequent events were found.

# UNITED PLANET CORPORATION

## Supplementary Information Years ended December 31, 2011 and 2010

	2011		2010	
	<u>Program Expenses</u>	<u>Management and General</u>	<u>Program expenses</u>	<u>Management and General</u>
Partner fees:				
Short -term quest	\$ 353,411	\$ ----	279,507	\$ ----
Long-term quest	110,513	----	145,615	----
Grant expenses	121,129	----	----	----
Payroll	236,300	20,550	193,159	16,900
Travel and meals	12,195	----	7,370	----
Marketing	72,043	----	51,498	----
Travel insurance	14,106	----	10,718	----
Training and material	8,659	----	----	----
Payroll taxes	16,849	5,616	16,332	5,175
Quest fees and supplies	17,974	----	73,390	----
Promotional expenses	6,269	----	4,287	----
Insurance	25,498	8,500	23,747	7,916
Rent	28,405	9,470	28,349	9,450
Employee benefits	12,996	----	----	2,036
Telephone and internet	4,618	1,539	3,971	1,324
Bank and wire transfer expenses	15,503	----	11,734	----
Office supplies and expenses	8,586	2,862	13,512	4,504
Accounting & legal fees	----	5,563	----	7,524
Depreciation expense	3,816	----	----	4,000
Postage	2,397	799	1,960	653
Dues & subscriptions	----	----	1,378	----
Filing fees	----	----	----	250
Total program expenses	<u>\$ 1,071,267</u>	<u>\$ 54,899</u>	<u>\$ 866,527</u>	<u>\$ 59,732</u>

See accompanying notes to financial statements  
and accountant's audit report.