

UNITED PLANET CORPORATION

Financial Statements

and

Independent Auditor's Report

December 31, 2010 and 2009

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## 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, 2010 and 2009 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, 2010 and 2009 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 13 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 3, 2011

# UNITED PLANET CORPORATION

## Statements of Financial Position December 31, 2010 and 2009

	<u>Assets</u>	
	<u>2010</u>	<u>2009</u>
Current assets:		
Cash	\$ 597,268	\$ 557,486
Prepaid insurance	<u>1,817</u>	<u>1,674</u>
Total current assets	<u>599,085</u>	<u>559,160</u>
Property, plant and equipment		
Computer equipment	20,000	20,000
Less: accumulated depreciation	<u>15,772</u>	<u>11,772</u>
	<u>4,228</u>	<u>8,228</u>
Total assets	<u>\$ 603,313</u>	<u>\$ 567,388</u>
	<u>Liabilities and Net Assets</u>	
	<u>2010</u>	<u>2009</u>
Current liabilities:		
Deferred quest revenue	\$ 170,947	\$ 147,278
Accrued program expenses	<u>13,902</u>	<u>8,464</u>
Total current liabilities	<u>184,849</u>	<u>155,742</u>
Net assets:		
Unrestricted	<u>418,464</u>	<u>411,646</u>
Total net assets	<u>418,464</u>	<u>411,646</u>
Total liabilities and net assets	<u>\$ 603,313</u>	<u>\$ 567,388</u>

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

# UNITED PLANET CORPORATION

## Statements of Activities Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Unrestricted net assets:		
Revenues and other support:		
Quest fees, net of discounts and reimbursements	\$ 844,930	\$ 803,622
Mongolia grant income	\$ 44,926	----
Direct public contributions - general	42,740	31,191
Investment income	<u>481</u>	<u>2,924</u>
Total revenues and direct support	<u>933,077</u>	<u>837,737</u>
Expenses:		
Program services	866,527	852,183
Management and general	<u>59,732</u>	<u>57,251</u>
Total expenses	<u>926,259</u>	<u>909,434</u>
Decrease in net assets	6,818	(71,697)
Net assets, beginning of year	<u>411,646</u>	<u>483,343</u>
Net assets, end of year	<u><u>\$ 418,464</u></u>	<u><u>\$ 411,646</u></u>

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

# UNITED PLANET CORPORATION

## Statements of Cash Flows Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
(Decrease)/Increase in net assets	\$ 6,818	\$ (71,697)
Adjustments to reconcile excess net assets to net cash provided by operating activities:		
Depreciation expense	4,000	4,000
(Increase) decrease in operating assets:		
Prepaid insurance	(144)	16
Deferred quest revenue	23,669	60,513
Accrued program expenses	<u>5,439</u>	<u>(2,672)</u>
Net cash (used in)/provided by operating activities	<u>39,782</u>	<u>(9,840)</u>
Net cash used in investment activities:		
Purchase of computer equipment	<u>----</u>	<u>----</u>
(Decrease)/Increase in cash	39,782	(9,840)
Cash at beginning of year	<u>557,486</u>	<u>567,326</u>
Cash at end of year	<u><u>\$ 597,268</u></u>	<u><u>\$ 557,486</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, 2010 and 2009

#### Note 1 –Nature of business.

United Planet Corporation, the “Organization”, is a non-profit public educational charity, opened to the citizens of every country on the planet. The mission of the Organization is to foster cross-cultural understanding and support communities in need worldwide through cultural presentations, online community-building activities and through sending volunteers throughout the world to assist foreign communities for terms ranging from one to fifty-two weeks. The organization utilizes relational diplomacy, the theory that peace building and improved intercultural relations can occur by creating a network of interpersonal connections, as an underlying approach to its programs. The Organization also undertakes a diverse and creative range of educational, humanitarian, and peace-building initiatives. These initiatives are designed to expose our common human bonds and foster respect and appreciation for our cultural, racial, and religious diversity, while improving and enriching lives worldwide.

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

##### 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.

##### 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, for the Organization to utilize in any of its programs or supporting services. As of December 31, 2010, 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, 2010, the Organization's uninsured cash balance was \$ 255,623.

## UNITED PLANET CORPORATION

### Notes to Financial Statements Years ended December 31, 2010 and 2009

#### 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
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Depreciation for the year ended December 31, 2010 and 2009 amounted to \$ 4,000 and \$ 4,000, respectively.

#### 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 \$ 887,550 and \$ 803,622 in 2010 and 2009.

Note 2 – continued.

#### 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. Under (SFAS) No. 117, 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, 2010 and 2009, all contributions were in absence of any donor-imposed restrictions



## UNITED PLANET CORPORATION

### Notes to Financial Statements Years ended December 31, 2010 and 2009

#### 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 \$ 51,498 and \$ 60,248 for the years ended December 31, 2010 and 2009, 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 \$418,464 and \$411,647 for the years ended December 31, 2010 and 2009, 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.

#### 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 2011. The corporation incurred travel insurance and partner fee expenses for these participants during 2010 and 2009 of which \$10,446 and \$ 0 were outstanding as of December 31, 2010 and 2009, 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, 2010 and 2009, respectively.

## UNITED PLANET CORPORATION

### Notes to Financial Statements Years ended December 31, 2010 and 2009

#### Deferred quest revenue:

The organization held a total of \$ 170,947 and \$ 147,278 on deposit for volunteers who were scheduled to depart on quests commencing in 2011 and 2010, 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, 2010. The total rent expense for the years ended December 31, 2010 and 2009 were \$37,800 and \$40,950, respectively.

#### Note 5-Evaluation of Subsequent Events.

The organization has evaluated subsequent events through May 3, 2011, 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, 2010 and 2009

	2010		2009	
	<u>Program</u> <u>Expenses</u>	<u>Management</u> <u>and General</u>	<u>Program</u> <u>expenses</u>	<u>Management</u> <u>and General</u>
Partner fees:				
Short -term quest	\$ 279,507	\$ ----	282,212	\$ ----
Long-term quest	145,615	----	81,625	----
Payroll	193,159	16,900	191,009	16,500
Travel and meals	7,370	----	1,394	----
Marketing	51,498	----	60,248	----
Travel insurance	10,718	----	11,228	----
Training and material	----	----	3,247	----
Payroll taxes	16,332	5,175	24,092	1,334
Quest fees and supplies	73,390	----	88,345	----
Promotional expenses	4,287	----	4,902	----
Insurance	23,747	7,916	26,094	8,698
Rent	28,349	9,450	30,712	10,238
Employee benefits	----	2,036	5,168	1,244
Telephone and internet	3,971	1,324	3,996	1,332
Bank and wire transfer expenses	11,734	----	28,680	----
Office supplies and expenses	13,513	4,504	4,028	2,976
Accounting & legal fees	----	7,524	----	9,534
Depreciation expense	----	4,000	----	4,000
Postage	1,960	653	3,072	1,024
Dues & subscriptions	1,378	----	2,131	----
Filing fees	----	250	----	371
Total program expenses	<u>\$ 866,527</u>	<u>\$ 59,732</u>	<u>\$ 852,183</u>	<u>\$ 57,251</u>

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