



# Sonnenberg & Company, CPAs

A Professional Corporation

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Leonard C. Sonnenberg, CPA

## THE COMMITTEE OF ONE HUNDRED Reviewed Financial Statements December 31, 2016

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
**The Committee of One Hundred**

We have reviewed the accompanying financial statements of The Committee of One Hundred (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

April 25, 2017

  
Sonnenberg & Company, CPAs

# The Committee of One Hundred

## Statement of Financial Position

December 31, 2016

ASSETS:	<u>2016</u>
Cash and cash equivalents	\$ 196,375
Endowment fund - The San Diego Foundation	12,351
Prepaid expenses and deposits	<u>1,838</u>
TOTAL ASSETS	<u>\$ 210,564</u>
LIABILITIES:	
Accrued liabilities	\$ <u>3,001</u>
TOTAL LIABILITIES	<u>3,001</u>
NET ASSETS:	
Unrestricted	174,720
Temporarily restricted	22,843
Permanently restricted	<u>10,000</u>
TOTAL NET ASSETS	<u>207,563</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 210,564</u>

See accompanying notes and independent accountant's review report

**The Committee of One Hundred**  
Statement of Activities  
For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
<b>REVENUE:</b>				
Contributions	\$ 16,877	\$ 3,415	\$	\$ 20,292
Membership	17,677			17,677
Events	8,200			8,200
Realized/Unrealized gain	1,213			1,213
Interest income	13			13
Miscellaneous income	199			199
Released from restriction	<u>38,689</u>	<u>(38,689)</u>		<u>-</u>
<b>TOTAL REVENUE</b>	<b>82,868</b>	<b>(35,274)</b>	<b>-</b>	<b>47,594</b>
<b>EXPENSES:</b>				
<b>PROGRAM SERVICES:</b>				
Projects	<u>50,812</u>			<u>50,812</u>
<b>TOTAL PROGRAM SERVICES</b>	<b>50,812</b>	<b>-</b>	<b>-</b>	<b>50,812</b>
<b>SUPPORT SERVICES:</b>				
Management and general	13,488			13,488
Fundraising	<u>2,585</u>			<u>2,585</u>
<b>TOTAL SUPPORT SERVICES</b>	<b>16,073</b>	<b>-</b>	<b>-</b>	<b>16,073</b>
<b>TOTAL EXPENSES</b>	<b>66,885</b>	<b>-</b>	<b>-</b>	<b>66,885</b>
<b>CHANGE IN NET ASSETS</b>	<b>15,983</b>	<b>(35,274)</b>	<b>-</b>	<b>(19,291)</b>
<b>NET ASSETS</b>				
<b>AT BEGINNING OF YEAR</b>	<u>158,737</u>	<u>58,117</u>	<u>10,000</u>	<u>226,854</u>
<b>AT END OF YEAR</b>	<u>\$ 174,720</u>	<u>\$ 22,843</u>	<u>\$ 10,000</u>	<u>\$ 207,563</u>

See accompanying notes and independent accountant's review report

**The Committee of One Hundred**  
Statement of Functional Expense  
For the Year Ended December 31, 2016

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Accounting services	\$	\$ 800	\$	\$ 800
Advertising and promotion	100	100	100	300
Bridge light	25,000			25,000
Event- annual meeting	6,346			6,346
Event- holiday luncheon	1,988			1,988
Goodhue-Gilbert award	24			24
Insurance	2,359	2,359		4,718
Miscellaneous		2,030	1,782	3,812
Office		3,583		3,583
Plaza de panama	13,270			13,270
Printing and postage - Newsletter	799			799
Printing and postage - Other	703	702	703	2,108
Rent and utilities		3,914		3,914
Sculpture court expense	140			140
Supplies	83			83
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	\$ 50,812	\$ 13,488	\$ 2,585	\$ 66,885
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes and independent accountant's review report

**The Committee of One Hundred**  
Statement of Cash Flows  
For the Year Ended December 31, 2016

CHANGE IN NET ASSETS	\$ (19,291)
CASH FLOWS FROM OPERATING ACTIVITIES:	
Adjustments to reconcile Change in Net Assets to net cash provided (used) by operations:	
Unrealized (gain) on investments	(254)
Decrease (increase) in:	
Prepaid expense and deposits	(267)
Inventory	3,565
Increase (decrease) in:	
Accounts payable	3,449
Deferred revenue	<u>(3,000)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(15,798)</u>
NET CHANGE IN CASH	(15,798)
CASH AT BEGINNING OF YEAR	<u>212,173</u>
CASH AT END OF YEAR	<u><u>\$ 196,375</u></u>

See accompanying notes and independent accountant's review report

**The Committee of One Hundred**  
Notes to Financial Statements  
December 31, 2016

**Note 1 - Nature of Activities:**

Nature of Activities

The Committee of One Hundred is a not-for-profit organization incorporated on July 12, 1967 in California. The legal name in the articles of incorporation is: The Committee of One Hundred for the Preservation of Spanish Colonial Architecture in Balboa Park.

The Committee of One Hundred is governed by a volunteer Board of Directors and its purpose is to assist in the restoration and the promotion of public awareness for the preservation of Spanish Colonial Architecture in public buildings in Balboa Park, San Diego, California.

Income Taxes

The Committee of One Hundred is a private not-for-profit corporation organized under the laws of the State of California. As a Section 501(c)(3) organization, it is exempt from income taxes on the basis that it qualifies for exemption under section 501(a) of the Internal Revenue Code, and Section 23701(d) of the State Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

**Note 2 - Summary of Significant Accounting Policies:**

Financial Statement Presentation

The Committee of One Hundred reports 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. In addition, The Committee of One Hundred is required to present a statement of cash flows.

According to generally accepted accounting principles (GAAP), net assets, revenue, gains, expenses, and losses must be classified as unrestricted, temporarily restricted, and permanently restricted based upon the existence and/or nature of any donor restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as released from restrictions.

**The Committee of One Hundred**  
Notes to Financial Statements  
December 31, 2016

**Note 2 - Summary of Significant Accounting Policies (continued):**

On August 6, 2008, the Financial Accounting Standard Board (FASB) issued FASB Staff Position (FSP) FAS 117-1 – Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds. In October 2008, California adopted UPMIFA. FAS 117-1 provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA, which serves as a model act for states to modernize their laws governing donor-restricted endowment funds. FAS 117-1 also requires additional disclosures about endowments (both donor-restricted funds and board-designated funds) to enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policies, and related investment policies of its endowment funds. The Organization adopted FAS 117-1 effective July 1, 2008.

Basis of Accounting

The Committee utilizes the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when incurred.

Inventories

Inventories consisting of ornaments are stated at the lower of cost or market determined by the first in, first out method.

Equipment

Equipment is carried at cost or, if donated, at the approximate fair market value at date of donation. The Committee of One Hundred capitalizes expenditures for equipment in excess of \$5,000. Depreciation is calculated on the straight-line method over the useful lives of the assets.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to The Committee of One Hundred, in substance and unconditionally. It is The Committee of One Hundred's policy to treat donor restricted contributions whose restrictions are met in the same reporting period as unrestricted.

Functional Expenses

A functional classification of expenses has been used to analyze the cost of providing various services or other activities, including Program Services, Management and General, and Fundraising.



**The Committee of One Hundred**  
Notes to Financial Statements  
December 31, 2016

**Note 2 - Summary of Significant Accounting Policies (continued):**

Program Expenses

Include all expenses incurred by the organization for activities directly related to the purposes for which the organization exists.

Management and General

Include all costs that are not identifiable with a single program or Fund Raising activity but are indispensable to the conduct of those activities and to an organization's existence, including expenses for the overall direction of the organization's general board activities, business management, general record keeping, budgeting and related purposes.

Fund Raising Costs

Include costs that are incurred in inducing others to contribute money, securities, time, materials or facilities from which the contributor will receive no direct economic benefit. Certain costs are allocated within the various categories.

Contracts and Deferred Revenue

The policy of The Committee of One Hundred is to recognize revenue from all contracts and events to the extent of eligible costs incurred up to an amount not to exceed the total contract authorized. Contract or event advances result from revenue received from contracts or events that are applicable to the subsequent period.

**Note 3 - Volunteer Services:**

During the year ended December 31, 2016, The Committee of One Hundred received approximately 2000 volunteer hours, which is the equivalent of a full-time employee. However, because these services do not meet all criteria established by GAAP for recording in the financial statements, the value of such contributed services has not been recorded.

**The Committee of One Hundred**  
Notes to Financial Statements  
December 31, 2016

**Note 4 - Cash and Cash Equivalents:**

Cash equivalents consist primarily of certificates of deposits and other securities with original maturities of 90 days or less. The Committee of One Hundred maintains cash accounts with balances as follows:

	12/31/16
Checking - US Bank	\$ 32,305
Checking - California Bank and Trust	82,682
Money Market - California Bank and Trust	25,974
Money Market - Linsco Private Ledger	54,460
Paypal	954
Total Bank Balances	\$ 196,375

**Note 5 - Temporarily Restricted Donations:**

The Committee has a number of donations or grants that have been received and recorded as Temporarily Restricted Net Assets. These represent funds held or promised for future periods. As of December 31, 2016, the Committee had the following in Temporarily Restricted Net Assets:

	12/31/15	Awards	Released	12/31/16
Administrative Building	\$ 5,805	\$	\$	\$ 5,805
Alcazar Tile	1,075			1,075
California Tower	1,550			1,550
Cultural Landscape		500		500
2015 Digital Archive	3,302	1,100	(2,644)	1,758
Lamp Restoration	21,635	1,000	(22,635)	-
Memorial Bench	850			850
Moorish Arch	7,600			7,600
Plaza de Panama	13,270	815	(13,270)	815
Sculpture Court	3,030		(140)	2,890
Total	\$ 58,117	\$ 3,415	\$ (38,689)	\$ 22,843

**The Committee of One Hundred**  
Notes to Financial Statements  
December 31, 2016

**Note 6 – Beneficial Interest in Endowment Fund:**

The Organization has a beneficial interest in an endowment fund held at The San Diego Foundation (the Foundation). The Committee of 100 Endowment Fund (the Fund) was created in 1998 with a \$5,000 donation from the Gayle and Enrico Gross Fund at the San Diego Foundation. In 1999, the Organization irrevocably transferred an additional \$5,000 to the Fund.

The Foundation may receive additional irrevocable gifts of property acceptable to the Foundation from time to time from the Organization and other source to be added to the Funds. In conformance with the agreement with the Foundation, there is no requirement that earnings be distributed each year; earnings may be accumulated. The earnings allocated by the Foundation to the Fund are distributed exclusively to cover costs associated with preservation of Spanish Colonial architecture in Balboa Park and similar programs. On December 31, 2016, the balance at San Diego Foundation was \$12,351 of which \$563 is distributable.

The activity in the beneficial interest in endowment funds consisted of the following for the year ended December 31:

	<u>Fund</u>	<u>IC Fund</u>	<u>Total</u>
The San Diego Foundation - January 1, 2016	\$ 5,462	\$ 6,636	\$ 12,098
Contributions	-	-	-
Earnings (Net)	126	152	278
Grant/Distribution	(245)	(343)	(588)
Distributable	255	308	563
The San Diego Foundation - December 31, 2016	<u>\$ 5,598</u>	<u>\$ 6,753</u>	<u>\$ 12,351</u>

**Note 7 – Endowment Net Assets:**

The beneficial interest in endowment fund is held by the San Diego Foundation (the Foundation) and managed in accordance with UPMIFA. The investment objectives are to support the preservation of Spanish Colonial architecture in Balboa Park. However, from time to time, the fair value of the assets in the endowment fund may fall below the level that the original value of gifts donated to the fund. The Organization permanently restricted net assets held by the Foundation as:

1. The original value of gifts donated to the fund
2. The original value of the Organization funds transferred to the fund
3. The original value of subsequent gifts donated to the fund
4. Investment income and realized and unrealized gains and losses on investments
5. Distributions from the fund in accordance with the spending policy

**The Committee of One Hundred**  
Notes to Financial Statements  
December 31, 2016

**Note 7 – Endowment Net Assets (continued):**

The Foundation has adopted investment and spending policies for endowment funds that:

1. Protect the invested assets
2. Preserve spending capacity of the fund income
3. maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a moderate level
4. Comply with applicable laws

The Foundation endowment funds are invested in the Balanced Pool. The Foundation's spending policy is to disburse interest and/or dividend on a semi-annual basis, based on upon endowment principal market value. If the market value of the Endowment Principal of any fund, at the end of each month, is less than the initial value of all contributions made to the Endowment Principal, then distributions will be limited to interest and dividends received. Given the recent years market declines, many of the Foundation's endowment fund distributions will be limited.

Changes in Endowment Net Assets for the year ended December 31, 2016:

	<u>2016</u>
Balance, Beginning of Year	\$ 12,098
Contributions	-
Investment gain/(loss)	278
Grant/Distribution	(588)
Distributable Allocations	<u>563</u>
Total Endowment Net Assets, End of Year	<u>\$ 12,351</u>
Total Permanently Restricted	<u><u>\$ 10,000</u></u>

Earnings on the Endowment are considered Unrestricted and are to be used in line with the Organization's mission and purpose. Therefore, the total of \$10,000 in irrevocable gifts is listed as Permanently Restricted and any additional value or earnings are considered Unrestricted.

**Note 8 – Related Party Transactions:**

The Treasurer provides volunteer bookkeeping services to the Organization. The Treasurer also provides paid bookkeeping services to a company owned by another Board member.

**Note 9 – Management's Review:**

Management has evaluated subsequent events through April 25, 2017, the date the financial statements were available to be issued. Management is not aware of any such subsequent events that would require adjustment to, or disclosure in, the financial statements.