

**Audited Financial Statements**



**June 30, 2019**

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## Independent Auditor's Report

Board of Directors  
**Pacific Council on International Policy**  
Los Angeles, California

We have audited the accompanying financial statements of Pacific Council on International Policy (Pacific Council), a nonprofit organization, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the six-month period then ended, and the related notes to the financial statements.

### 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.

### Auditor's Responsibility

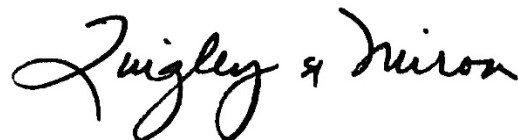
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pacific Council on International Policy as of June 30, 2019, and the changes in its net assets and cash flows for the six-month period then ended, in accordance with accounting principles generally accepted in the United States of America.



Los Angeles, California  
April 15, 2020

**Pacific Council on International Policy**  
**Statement of Financial Position**  
**June 30, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 1,042,926	\$ 260,400	\$ 1,303,326
Investments—Note 4	1,251,043		1,251,043
Contributions and grants receivable, net —Note 5		613,705	613,705
Prepaid expenses	38,405		38,405
<b>Total Current Assets</b>	<b>2,332,374</b>	<b>874,105</b>	<b>3,206,479</b>
<b>Non-Current Assets</b>			
Contributions and grants receivable, net —Note 5		2,187,368	2,187,368
Deposits	71,024		71,024
Property and equipment, net—Note 6	3,102		3,102
<b>Total Non-Current Assets</b>	<b>74,126</b>	<b>2,187,368</b>	<b>2,261,494</b>
<b>Total Assets</b>	<b>\$ 2,406,500</b>	<b>\$ 3,061,473</b>	<b>\$ 5,467,973</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 25,537	\$	\$ 25,537
Accrued salaries and vacation	150,363		150,363
Deferred revenue	5,000		5,000
Rental benefit	10,849		10,849
<b>Total Liabilities</b>	<b>191,749</b>		<b>191,749</b>
<b>Net Assets</b>			
Without donor restrictions	2,214,751		2,214,751
With donor restrictions—Note 8		3,061,473	3,061,473
<b>Total Net Assets</b>	<b>2,214,751</b>	<b>3,061,473</b>	<b>5,276,224</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,406,500</b>	<b>\$ 3,061,473</b>	<b>\$ 5,467,973</b>

See notes to financial statements.

**Pacific Council on International Policy**  
**Statement of Activities**  
**Six-Month Period Ended June 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Activities</b>			
<b>Support and Revenue</b>			
Board gifts	\$ 271,299	\$	\$ 271,299
Contributions and grants	18,845	399,370	418,215
Delegations and events	264,628		264,628
Memberships	704,377		704,377
Interest income	12,799		12,799
	<u>1,271,948</u>	<u>399,370</u>	<u>1,671,318</u>
<b>Total Support and Revenue Before Reclassifications</b>	<b>1,271,948</b>	<b>399,370</b>	<b>1,671,318</b>
Reclassifications			
Net assets released from restrictions	305,927	(305,927)	
	<u>1,577,875</u>	<u>93,443</u>	<u>1,671,318</u>
<b>Total Support and Revenue After Reclassifications</b>	<b>1,577,875</b>	<b>93,443</b>	<b>1,671,318</b>
<b>Expenses</b>			
Program services	1,766,668		1,766,668
Management and general	265,842		265,842
Fundraising and development	195,521		195,521
	<u>2,228,031</u>		<u>2,228,031</u>
<b>Total Expenses</b>	<b>2,228,031</b>		<b>2,228,031</b>
<b>Change in Net Assets from Operations</b>	<b>(650,156)</b>	<b>93,443</b>	<b>(556,713)</b>
<b>Nonoperating Activities</b>			
Investment return, net—Note 4	488		488
	<u>488</u>		<u>488</u>
<b>Total Nonoperating Activities</b>	<b>488</b>		<b>488</b>
<b>Change in Net Assets</b>	<b>(649,668)</b>	<b>93,443</b>	<b>(556,225)</b>
<b>Net Assets at Beginning of Period</b>	<b>2,864,419</b>	<b>2,968,030</b>	<b>5,832,449</b>
	<u>2,864,419</u>	<u>2,968,030</u>	<u>5,832,449</u>
<b>Net Assets at End of Period</b>	<b>\$ 2,214,751</b>	<b>\$ 3,061,473</b>	<b>\$ 5,276,224</b>
	<u>\$ 2,214,751</u>	<u>\$ 3,061,473</u>	<u>\$ 5,276,224</u>

See notes to financial statements.

**Pacific Council on International Policy**  
**Statement of Cash Flows**  
**Six-Month Period Ended June 30, 2019**

**Cash Flows from Operations**

Change in net assets	\$ (556,225)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	3,905
Realized and unrealized gains	(488)
Changes in operating assets and liabilities:	
Contributions and grants receivable, net	216,419
Prepaid expenses	(6,074)
Accounts payable and accrued expenses	10,600
Accrued salaries and vacation	(15,514)
Deferred revenue	(95,000)
Rental benefit	(10,848)

**Cash Used in Operating Activities** (453,225)

**Cash Flows from Investing Activities**

Purchases of investments	(12,588)
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**Cash Used in Investing Activities** (12,588)

**Net Decrease in Cash** (465,813)

**Cash at Beginning of Year**

1,769,139

**Cash at End of Year** \$ 1,303,326

**Supplementary Disclosures**

Income taxes paid	<u>\$</u>
Interest paid	<u>\$</u>

See notes to financial statements.