Audited Financial Statements

# The Resource Foundation, Inc.

December 31, 2014 and 2013

**THE RESOURCE FOUNDATION, INC.**
**FINANCIAL STATEMENTS**
**DECEMBER 31, 2014 AND 2013**

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MMJ
MAIER
MARKEY &
JUSTIC LLP
Certified Public Accountants

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Resource Foundation, Inc.

We have audited the accompanying financial statements of The Resource Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the year 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.



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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 The Resource Foundation, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the audited procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Marcus Magley & Justice LLP

White Plains, New York
April 9, 2015

# THE RESOURCE FOUNDATION, INC.
# STATEMENTS OF FINANCIAL POSITION
# DECEMBER 31, 2014 AND 2013

| | 2014 | 2013 |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | $ 3,715,305 | $ 3,644,746 |
| Investments | 123,010 | 108,985 |
| Unconditional promises to give | | |
| Unrestricted | 67,580 | 66,790 |
| Restricted for programs serving low income persons in developing countries | 582,185 | 8,200 |
| Prepaid expenses | 5,241 | 2,681 |
| Other assets | 16,591 | 16,591 |
| Office equipment, net of accumulated depreciation of $131,152 and $81,949 in 2014 and 2013, respectively | 200,000 | 215,989 |
| Total assets | 4,709,912 | $ 4,063,982 |
| LIABILITIES | | |
| Accounts payable and accrued expenses | $ 29,060 | $ 23,805 |
| Grants payable | 919,594 | 1,445,187 |
| Finance agreement payable | 67,985 | 94,693 |
| Other liabilities | 9,745 | 8,186 |
| Total liabilities | 1,026,384 | 1,571,871 |
| NET ASSETS | | |
| Unrestricted | 252,108 | 274,327 |
| Temporarily restricted | 3,431,420 | 2,217,784 |
| Total net assets | 3,683,528 | 2,492,111 |
| Total liabilities and net assets | 4,709,912 | $ 4,063,982 |

See accompanying notes.

**THE RESOURCE FOUNDATION, INC.**
**STATEMENTS OF ACTIVITIES**
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

| | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| Support | | | | | | |
| Membership dues | $ 64,830 | $ - | $ 64,830 | $ 100,077 | $ - | $ 100,077 |
| Individual contributions | 386,208 | - | 386,208 | 1,042,917 | - | 1,042,917 |
| Grant support | 4,932,122 | 3,185,832 | 8,117,954 | 6,368,199 | 2,196,287 | 8,564,486 |
| Investment income | 14,882 | - | 14,882 | 26,773 | - | 26,773 |
| In-kind revenue | - | - | - | 90,350 | - | 90,350 |
| Net assets released from restrictions | 1,972,196 | (1,972,196) | - | 1,716,346 | (1,716,346) | - |
| Total support | 7,370,238 | 1,213,636 | 8,583,874 | 9,344,662 | 479,941 | 9,824,603 |
| Expenses | | | | | | |
| Programs | 6,614,750 | - | 6,614,750 | 8,377,845 | - | 8,377,845 |
| Supporting services - general and administration | 426,026 | - | 426,026 | 407,540 | - | 407,540 |
| Supporting services - fundraising | 351,681 | - | 351,681 | 471,886 | - | 471,886 |
| Total expenses | 7,392,457 | - | 7,392,457 | 9,257,271 | - | 9,257,271 |
| Increase (decrease) in net assets | (22,219) | 1,213,636 | 1,191,417 | 87,391 | 479,941 | 567,332 |
| Net assets at beginning of year | 274,327 | 2,217,784 | 2,492,111 | 186,936 | 1,737,843 | 1,924,779 |
| Net assets at end of year | $ 252,108 | $ 3,431,420 | $ 3,683,528 | $ 274,327 | $ 2,217,784 | $ 2,492,111 |

See accompanying notes.

**THE RESOURCE FOUNDATION, INC.**
**STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

| | 2014 | 2013 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase in net assets | $ 1,191,417 | $ 567,332 |
| Adjustments to reconcile increase in net assets to net cash and cash equivalents provided by (used in) operating activities: | | |
| Depreciation | 49,203 | 15,670 |
| Unrealized gain on investments | (12,574) | (24,790) |
| Realized gain on investments | (43) | - |
| (Increase) decrease in: | | |
| Unconditional promises to give: | | |
| Unrestricted | (790) | 14,610 |
| Restricted for programs | (573,985) | 105,100 |
| Prepaid expenses | (2,560) | 2,793 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 5,255 | 205 |
| Grants payable | (525,593) | 677,087 |
| Other liabilities | 1,559 | 5,638 |
| Net cash provided by operating activities | 131,889 | 1,363,645 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from financing agreements | - | 123,829 |
| Repayments to lending institutions | (26,708) | (29,136) |
| Net cash provided/(used) by financing activities | (26,708) | 94,693 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of investments | (1,508) | (1,437) |
| Proceeds from sales of investments | 100 | - |
| Purchases of office equipment | (33,214) | (136,439) |
| Net cash used by investing activities | (34,622) | (137,876) |
| Increase in cash and cash equivalents | 70,559 | 1,320,462 |
| Cash and cash equivalents at beginning of year | 3,644,746 | 2,324,284 |
| Cash and cash equivalents at end of year | $ 3,715,305 | $ 3,644,746 |

See accompanying notes.

**THE RESOURCE FOUNDATION, INC.**
**NOTES TO FINANCIAL STATEMENTS**
**DECEMBER 31, 2014 AND 2013**

Note 1 - Summary of significant accounting policies

Organization and tax exempt status
The Resource Foundation, Inc. ("the Foundation") is a not-for-profit corporation organized in 1987 for the purpose of helping to increase the flow of resources going to low-income persons through the socio-economic development activities of private agencies in developing countries. The Foundation's primary sources of support are grants from corporations, foundations and individuals.

The Foundation is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code. The Foundation does not pay Federal income taxes, and contributions to the Foundation are tax-deductible for Federal income tax purposes, subject to certain limitations.

Uncertain tax positions
The Financial Accounting Standards Board ("FASB") issued Codification Topic 740, Accounting for Income Taxes, for nonpublic organizations, which requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty in their tax position, since events could potentially occur to jeopardize their tax exempt status. The Foundation's accounting policy for evaluating uncertain tax positions is in accordance with generally accepted accounting principles. The Foundation has not recognized any benefits from uncertain tax positions in 2014 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the balance sheet date.

The Foundation's federal and state income tax returns for tax years 2011 and beyond remain subject to examination.

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

Cash and cash equivalents
For purposes of the statements of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Promises to give
Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently

**THE RESOURCE FOUNDATION, INC.**
**NOTES TO FINANCIAL STATEMENTS**
**DECEMBER 31, 2014 AND 2013**

Note 1 - Summary of significant accounting policies (continued)
restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Restricted cash
Cash received from donors which is restricted for support of programs serving low income persons in developing countries is not available for operating purposes.

Classification of net assets
The net assets of the Foundation and changes therein are classified as follows:

Unrestricted net assets – All funds not restricted by a donor or grantor.

Temporarily restricted net assets – Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as a net asset released from restrictions.

Permanently restricted net assets – Permanently restricted net assets are those assets which have a donor imposed restriction stipulating that resources be maintained in perpetuity. In certain instances permanent restrictions extend to the appreciation of the market value of the contributed assets. Temporary restrictions may be placed on the use of income derived from these assets. There were no permanently restricted net assets as of December 31, 2014 and 2013.

Office equipment
Office equipment is stated at cost. Depreciation is provided using the straight line method over the useful lives of the related assets.

Expenditures for maintenance and repairs are charged to expense, and renewals and betterments are capitalized. Upon sale or retirement, the cost of the asset and the related accumulated depreciation are removed from the accounts, and the remaining gain or loss is included in the results of operations.

Grants payable
Grants payable consist of amounts awarded, but not paid, to nonprofit groups. The grants payable are paid within one year.

THE RESOURCE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 1 - Summary of significant accounting policies (continued)

Donated services
The Foundation recognizes noncash gifts as income in the period in which they are received. The Foundation also records an offsetting expense at the same time to record the use of the gift. Donors contributed advertising and printing costs to the Foundation. For the year ended December 31, 2013 the donations were valued at $90,350.

Advertising
The Foundation expenses advertising costs as incurred. There were no advertising costs in 2014. Costs associated with advertising totaled $84,280 for the year ended December 31, 2013 and are included in supporting services – fundraising on the statement of activities. As noted in the Donated services footnote $82,000 of advertising costs was donated to the Foundation. The difference of $2,280 was paid by the Foundation.

Functional allocation of expenses
The costs of program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs, supporting services - general administration and fundraising.

Note 2 – Investments
Investments at December 31, 2014 and 2013 consist of the following:

| | Cost | | Market | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| Mutual fund | $ 73,039 | $ 71,589 | $ 123,010 | $ 108,985 |

Investment return for the years ended December 31, 2014 and 2013 is summarized as follows:

| | 2014 | 2013 |
|---|---|---|
| Interest and dividends | $ 2,265 | $ 1,983 |
| Unrealized gain | 12,574 | 24,790 |
| Realized gain | 43 | - |
| | $ 14,882 | $ 26,773 |

The Foundation's adoption of FASB Codification Topic 320 requires, among other things, enhanced disclosures about investments that are measured and reported at fair value. FASB Codification Topic 320 establishes a hierarchal disclosure framework, which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or

Note 2 – Investments (continued)
for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I—Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include listed equities, securities and listed derivatives. As required by FASB Codification Topic 320, the Foundation does not adjust the quoted price for these investments, even in situations where the Foundation holds a large position and a sale could reasonably impact the quoted price.

Level II—Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. As of December 31, 2014, the Foundation does not have any Level II investments.

Level III—Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, mezzanine funds, funds of hedge funds, distressed debt and non-investment grade residual interests in securitizations and collateralized debt obligations. As of December 31, 2014, the Foundation does not have any Level III investments.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014.

***Mutual funds***: Valued at the net asset value of shares held by the Foundation at year end.

Note 2 – Investments (continued)

The following table summarizes the levels in the FASB Codification Topic 320 fair value hierarchy that the Foundation's investments fall into as of December 31, 2014:

| Type | Level I | Level II | Level III | Total |
|---|---|---|---|---|
| Mutual fund | $ 123,010 | $ - | $ - | $ 123,010 |

The following table summarizes the levels in the FASB Codification Topic 320 fair value hierarchy that the Foundation's investments fall into as of December 31, 2013:

| Type | Level I | Level II | Level III | Total |
|---|---|---|---|---|
| Mutual fund | $ 108,985 | $ - | $ - | $ 108,985 |

Note 3 – Unconditional promises to give

Unconditional promises to give at December 31, 2014 and 2013 are due within one year. Uncollectible promises to give are expected to be insignificant. Accordingly, no provision is made for uncollectible amounts.

Note 4 – Office equipment

A summary of office equipment assets consist of the following:

| | 2014 | 2013 |
|---|---|---|
| Office equipment & fixtures | $ 55,134 | $ 55,134 |
| Computer equipment | 276,018 | 242,804 |
| | 331,152 | 297,938 |
| Less: accumulated depreciation and amortization | (131,152) | (81,949) |
| | $ 200,000 | $ 215,989 |

Depreciation expense was $49,203 and $15,670 for the years ended December 31, 2014 and 2013, respectively.

Note 5 – Finance agreement payable

The Foundation entered into a $145,681 finance agreement related to the acquisition of licensed software. The agreement is noninterest bearing and is payable in 60 equal monthly installments of $2,428. The outstanding balance is $67,985 and $94,693 as of December 31, 2014 and 2013 respectively, and is included in finance agreement payable on the statement of financial position.

Note 5 – Finance agreement payable (continued)

Payments of the finance agreement payable for the years ending December 31st are:

| | |
|---|---|
| 2015 | $ 31,564 |
| 2016 | 29,136 |
| 2017 | 7,285 |
| | $ 67,985 |

Note 6 – Temporarily restricted net assets

As of December 31, 2014, temporarily restricted net assets are available for the following programs and projects in the Americas:

| | |
|---|---|
| Educational Programs | $ 1,620,980 |
| Environment Programs | 1,000,000 |
| Nutrition Programs | 494,950 |
| Cultural Programs | 144,433 |
| Health Programs | 113,802 |
| Developmental Programs | 57,255 |
| | $ 3,431,420 |

As of December 31, 2013, temporarily restricted net assets are available for the following programs and projects in the Americas:

| | |
|---|---|
| Educational Programs | $ 1,430,788 |
| Environment Programs | 172,420 |
| Cultural Programs | 184,079 |
| Health Programs | 169,463 |
| Developmental Programs | 100,954 |
| Other | 160,080 |
| | $ 2,217,784 |

Note 7 – Concentrations

The Foundation maintains its cash and cash equivalents in accounts that are insured by the U.S. Federal Deposit Insurance Corporation ("FDIC"). Throughout the year the bank balances may exceed the limit insured by the FDIC. The Foundation has not experienced any losses to date resulting from this policy.

Revenue from six donors comprised approximately 75% of total support in 2014. Grants from a donor comprised 77% of unconditional promises to give at December 31, 2014. Revenue from six donors comprised approximately 67% of total support in 2013. Grants from a donor comprised approximately 84% of unconditional promises to give at December 31, 2013.

Note 8 – Board Designated Fund

The Foundation created a board-designated fund (the "Fund") that is included in unrestricted net assets on the Statements of Financial Position to ensure the long-term stability of the Foundation against any unforeseen downturns in the economy and/or short-term cash flow difficulties.

*Interpretation of relevant law*

The Board of Directors of the Foundation has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the fair value of the original funds appropriated by the Board of Directors. As a result of this interpretation, the Foundation classifies as board designated unrestricted net assets (a) the original value of funds appropriated to the Fund, (b) the original value of subsequent funds appropriated to the Fund, and (c) accumulations to the Fund made in accordance with the direction of the Board of Directors. In accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate board designated funds:

1. the duration and preservation of the Fund;
2. the purposes of the Foundation and the Fund;
3. general economic conditions;
4. the possible effect of inflation and deflation;
5. the expected total return from income and the appreciation of investments;
6. other resources of the Foundation; and
7. the investment policies of the Foundation.

*Return objectives and risk parameters*

The funds are to be invested in a diverse and conservative manner in order to protect the integrity of the Fund and allow it to fulfill its stated purpose.

*Strategies employed for achieving objectives*

To satisfy its long-term objectives, the Foundation relies on a strategy designed to provide for the long-term preservation of the Fund.

Invested assets are managed in a socially responsible manner with the goal of protecting principal.

*Spending policy*

Funds may only be disbursed to the Foundation. Use of the Fund is restricted to confronting major crisis situations and short-term cash flow problems. Major crisis situations are those characterized by general economic downturns or other adverse conditions that have a significant impact on the projected and/or actual income from corporate donors, major individual contributors, and other sources representing the majority of the Foundation's annual support. Short-term cash flow problems are those characterized by temporary conditions that may occur during the year, and that have very reasonable expectations of being overcome during the same fiscal period as the result of the normal schedule of receipts.

**THE RESOURCE FOUNDATION, INC.**
**NOTES TO FINANCIAL STATEMENTS**
**DECEMBER 31, 2014 AND 2013**

Note 8 – Board Designated Fund
In order to access the Fund in either of these situations, the Executive Director is required to present a written request to the Fund subcommittee. The Fund subcommittee will then review the case, and, if approved, make a recommendation to the Executive Committee and/or the full Board for final approval. There are no limitations regarding the use of the Fund in a major crises situation, while short-term cash flow problems are limited to 25% of the total Fund or $75,000, whichever is less.

Additionally, as discussed in Note 9, annual payments of $3,750 are payable to a donor. These monies are considered part of the Fund, and these payments therefore decrease the balance of the Fund.

Changes in– Board Designated Fund
For the year ended December 31, 2014

| | |
|---|---|
| Board Designated Fund, beginning of the year | $ 339,288 |
| Investment earnings | 14,583 |
| Amounts appropriated for expenditure | (3,850) |
| Board Designated Fund, end of the year | $ 350,021 |

Changes in– Board Designated Fund
For the year ended December 31, 2013

| | |
|---|---|
| Board Designated Fund, beginning of the year | $ 146,290 |
| Investment earnings | 26,598 |
| Contributions to the Fund | 170,250 |
| Amounts appropriated for expenditure | (3,850) |
| Board Designated Fund, end of the year | $ 339,288 |

Note 9 – Irrevocable charitable gift annuity split interest agreement
In 2003, the Foundation entered into an irrevocable gift annuity agreement under which the Foundation received negotiable securities with a fair market value of $50,000. Under the terms of the split interest agreement, the Foundation shall pay to the donor and one additional beneficiary during their joint lives, and to the survivor during his or her life, an annual annuity of $3,850.

Note 9 – Irrevocable charitable gift annuity split interest agreement (continued)
Assets of $12,206 and $15,926 for the years ended December 31, 2014 and 2013, respectively, related to this split interest agreement are included in cash and cash equivalents.

Note 10 – Retirement plan
During 2001, the Foundation adopted a 403(b) retirement plan. Employees are eligible to participate in the 403(b) plan when they begin work. Employer contributions under the plan are at the Foundation's discretion. No contributions were made by the Foundation to the plan for the years ended December 31, 2014 and 2013.

Note 11 – Lease commitment and rent
During 2008, the Foundation entered into a rental lease agreement, starting May 1, 2008 for a period of five years. During 2013, the Foundation extended the lease through April 30, 2018. Future minimum obligations under this lease term as of December 31, 2014 are as follows:

| | |
|---|---|
| 2015 | $ 75,751 |
| 2016 | 77,834 |
| 2017 | 79,974 |
| 2018 | 26,898 |
| | $ 260,457 |

Rent expense of $75,282 and $73,812 related to this lease are included in rent and related costs on the schedule of functional expenses for 2014 and 2013, respectively.

The Foundation leases a phone system and copy machine under separate operating lease agreements. Future minimum obligations under this lease term as of December 31, 2014 are as follows:

| | |
|---|---|
| 2015 | $ 4,142 |
| 2016 | 1,675 |
| | $ 5,817 |

Note 12 – Subsequent events
Subsequent events have been evaluated through April 9, 2015, the date the financial statements were available to be issued.

# SUPPLEMENTARY INFORMATION

**THE RESOURCE FOUNDATION, INC.**
**SCHEDULES OF FUNCTIONAL EXPENSES**
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

| | 2014 | | | | 2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | | Supporting Services | | | | Supporting Services | | |
| | Program Services | General & Administration | Fund Raising | Total | Program Services | General & Administration | Fund Raising | Total |
| Grants and workshops | $ 6,153,475 | $ - | $ - | $ 6,153,475 | $ 7,944,516 | $ - | $ - | $ 7,944,516 |
| Salaries, taxes and benefits | 378,564 | 283,924 | 283,924 | 946,412 | 334,897 | 251,172 | 251,172 | 837,241 |
| Insurance | - | 13,264 | - | 13,264 | - | 12,472 | - | 12,472 |
| Promotions and fundraising | - | - | 5,718 | 5,718 | - | - | 62,611 | 62,611 |
| Advertising | - | - | - | - | - | - | 84,280 | 84,280 |
| Printing and copying | 4,318 | 3,239 | 3,239 | 10,796 | 6,731 | 5,048 | 5,048 | 16,827 |
| Publications | 2,091 | 1,569 | 1,569 | 5,229 | 3,047 | 2,285 | 2,285 | 7,617 |
| Office supplies | 1,556 | 1,167 | 1,167 | 3,890 | 1,661 | 1,246 | 1,246 | 4,153 |
| Professional fees | 5,587 | 65,783 | 4,190 | 75,560 | 8,696 | 54,688 | 6,522 | 69,906 |
| Telephone & utilities | 10,632 | 7,975 | 7,975 | 26,582 | 12,469 | 9,352 | 9,352 | 31,173 |
| Postage | 1,000 | 751 | 751 | 2,502 | 942 | 706 | 706 | 2,354 |
| Rent | 30,897 | 23,174 | 23,174 | 77,245 | 29,953 | 22,465 | 22,465 | 74,883 |
| Travel and conferences | 1,600 | 1,200 | 1,200 | 4,000 | 21,162 | 15,872 | 15,872 | 52,906 |
| Depreciation | 19,681 | 14,761 | 14,761 | 49,203 | 6,268 | 4,701 | 4,701 | 15,670 |
| Bank charges | - | 5,206 | - | 5,206 | - | 21,907 | - | 21,907 |
| Miscellaneous | 5,349 | 4,013 | 4,013 | 13,375 | 7,503 | 5,626 | 5,626 | 18,755 |
| | $ 6,614,750 | $ 426,026 | $ 351,681 | $ 7,392,457 | $ 8,377,845 | $ 407,540 | $ 471,886 | $ 9,257,271 |

See accompanying notes.