

**THE PETER C. ALDERMAN  
FOUNDATION, INC.**

**Financial Statements  
for the year ended  
December 31, 2013**

**Independent Auditor's Report**

To the Board of Directors of  
The Peter C. Alderman Foundation, Inc.

We have audited the accompanying financial statements of The Peter C. Alderman Foundation, Inc. which comprise the statement of financial position as of December 31, 2013 and December 31, 2012 and the related statements of activities and cash flows for the years 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 from 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 The Peter C. Alderman Foundation, Inc. as of December 31, 2013 and December 31, 2012, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Condon O'Meara McGinty & Donnelly LLP*

August 19, 2014

**THE PETER C. ALDERMAN FOUNDATION, INC.**

**Statement of Financial Position**

**Assets**

	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,004,631	\$ 745,973
Accounts receivable	16,650	5,350
Grant receivable	125,000	235,000
Prepaid expenses	10,341	-
Total current assets	1,156,622	986,323
<b>Grant receivable, net of current portion</b>	-	100,000
<b>Property and equipment, net of accumulated depreciation of \$20,539 in 2013 and \$19,816 in 2012</b>	361	1,084
<b>Total assets</b>	<b>\$ 1,156,983</b>	<b>\$ 1,087,407</b>

**Liabilities and Net Assets**

<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 14,413	\$ 23,013
<b>Net assets</b>		
Unrestricted	977,570	729,394
Temporarily restricted	165,000	335,000
Total net assets	1,142,570	1,064,394
<b>Total liabilities and net assets</b>	<b>\$ 1,156,983</b>	<b>\$ 1,087,407</b>

See notes to financial statements.

**THE PETER C. ALDERMAN FOUNDATION, INC.**

**Statement of Activities**

For the Year Ended December 31

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Public support and revenue</b>						
Contributions	\$ 217,701	\$ -	\$ 217,701	\$ 180,761	\$ -	\$ 180,761
Grants	323,077	118,389	441,466	287,492	235,000	522,492
Special events	259,465	-	259,465	159,064	-	159,064
Interest, dividends and other	456	-	456	572	-	572
Net assets released from restriction	<u>288,389</u>	<u>(288,389)</u>	<u>-</u>	<u>305,000</u>	<u>(305,000)</u>	<u>-</u>
Total support and revenue	<u>1,089,088</u>	<u>(170,000)</u>	<u>919,088</u>	<u>932,889</u>	<u>(70,000)</u>	<u>862,889</u>
<b>Expenses</b>						
Program services	704,788	-	704,788	618,115	-	618,115
Supporting services						
Management and general	36,247	-	36,247	37,692	-	37,692
Fundraising	<u>99,877</u>	<u>-</u>	<u>99,877</u>	<u>108,800</u>	<u>-</u>	<u>108,800</u>
Total expenses	<u>840,912</u>	<u>-</u>	<u>840,912</u>	<u>764,607</u>	<u>-</u>	<u>764,607</u>
Increase (decrease) in net assets	248,176	(170,000)	78,176	168,282	(70,000)	98,282
Net assets, beginning of year	<u>729,394</u>	<u>335,000</u>	<u>1,064,394</u>	<u>561,112</u>	<u>405,000</u>	<u>966,112</u>
Net assets, end of year	<u>\$ 977,570</u>	<u>\$ 165,000</u>	<u>\$1,142,570</u>	<u>\$ 729,394</u>	<u>\$ 335,000</u>	<u>\$1,064,394</u>

See notes to financial statements.

**THE PETER C. ALDERMAN FOUNDATION, INC.**

**Statement of Functional Expenses**

	For the Year Ended December 31							
	2013			2012				
	Program Services	Supporting Services Management and General		Total	Program Services	Supporting Services Management and General		Total
\$	\$	\$	\$	\$	\$	\$	\$	
Grants to other organizations	5,000	-	-	5,000	5,000	-	-	5,000
Training	113,695	-	-	113,695	66,771	-	-	66,771
Clinics	260,203	-	-	260,203	273,381	-	-	273,381
Publications	7,500	-	-	7,500	7,000	-	-	7,000
Salaries and wages	91,821	3,590	3,589	99,000	82,187	8,000	7,313	97,500
Payroll taxes and employee benefits	7,269	284	284	7,837	6,468	784	588	7,840
Professional fees	157,557	18,817	32,488	208,862	116,525	17,694	40,086	174,305
Meetings and conferences	6,643	99	27	6,769	16,511	354	338	17,203
Travel	34,746	-	-	34,746	30,277	-	-	30,277
Depreciation	-	723	-	723	-	724	-	724
Special events	3,312	518	62,348	66,178	2,569	-	54,545	57,114
Office supplies	7,979	4,084	-	12,063	7,076	3,043	3,718	13,837
Telephone	-	3,242	-	3,242	-	1,845	-	1,845
Insurance	322	1,553	-	1,875	692	1,590	-	2,282
Postage	41	357	106	504	621	74	693	1,388
Bank charges	-	1,812	-	1,812	-	2,065	-	2,065
Information technology	8,700	1,168	1,035	10,903	3,037	1,519	1,519	6,075
<b>Total Expenses</b>	<b>\$ 704,788</b>	<b>\$ 36,247</b>	<b>\$ 99,877</b>	<b>\$ 840,912</b>	<b>\$ 618,115</b>	<b>\$ 37,692</b>	<b>\$ 108,800</b>	<b>\$ 764,607</b>

See notes to financial statements.

**THE PETER C. ALDERMAN FOUNDATION, INC.**

**Statement of Cash Flows**

	Year Ended December 31	
	2013	2012
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 78,176	\$ 98,282
Adjustments to reconcile increase in net assets to net increase in cash and cash equivalents		
Depreciation	723	724
Donated stocks	(20,196)	(196,450)
Proceeds from sale of investments	20,196	196,450
(Increase) decrease in current assets		
Accounts receivable	(11,300)	(2,999)
Grant receivable	210,000	500
Prepaid expenses	(10,341)	-
(Decrease) in accounts payable and accrued expenses	(8,600)	(3,833)
<b>Net increase in cash and cash equivalents</b>	<b>258,658</b>	<b>92,674</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>745,973</b>	<b>653,299</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$1,004,631</b>	<b>\$ 745,973</b>

See notes to financial statements.

**THE PETER C. ALDERMAN FOUNDATION, INC.**

**Notes to Financial Statements  
December 31, 2013 and December 31, 2012**

**Note 1 – Nature of organization**

The Peter C. Alderman Foundation, Inc. (the “Organization”) is a public, nonprofit organization incorporated under the Not-for-Profit Corporation Law of New York. The mission of the Organization is to heal the emotional wounds of survivors of terrorism and mass violence by training indigenous health workers and establishing trauma treatment systems in post-conflict countries around the globe. The Organization achieves its mission by training caregivers in countries worldwide, establishing clinics in post-conflict regions, and measuring and sharing best practices to return victims to productive lives.

**Note 2 – Summary of significant accounting policies**

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The following comprise the significant accounting policies of the Organization.

Net assets

The Organization’s net assets consist of the following:

Unrestricted

Unrestricted net assets consist of amounts that can be spent at the discretion of the Organization.

Temporarily restricted

Temporarily restricted net assets consist of contributions that are restricted by the donor for a specific purpose or pertain to future periods.

The following is a summary of the activity of the temporarily restricted net assets for the year ended December 31, 2013:

	Balance at December 31, <u>2012</u>	Contributions and <u>Grants</u>	Released from <u>Restrictions</u>	Balance at December 31, <u>2013</u>
Crown Family Philanthropies	\$ 300,000	\$ -	\$ (200,000)	\$ 100,000
Weyerhaeuser Family Foundation	35,000	-	(35,000)	-
Sarlo Foundation	-	50,000	(25,000)	25,000
Mortar Foundation	-	40,000	-	40,000
Foundation de L’Orangerie	-	28,389	(28,389)	-
Total	<u>\$ 335,000</u>	<u>\$ 118,389</u>	<u>\$ (288,389)</u>	<u>\$ 165,000</u>

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Notes to Financial Statements (continued)**  
**December 31, 2013 and December 31, 2012**

**Note 2 – Summary of significant accounting policies (continued)**

Net assets (continued)

The following is a summary of the activity of the temporarily restricted net assets for the year ended December 31, 2012:

	Balance at December 31, <u>2011</u>	Contributions and <u>Grants</u>	Released from <u>Restrictions</u>	Balance at December 31, <u>2012</u>
Crown Family Philanthropies	\$ 200,000	\$ 200,000	\$ (100,000)	\$ 300,000
Weyerhaeuser Family Foundation	30,000	35,000	(30,000)	35,000
McCall MacBain	100,000	-	(100,000)	-
Bloomberg L.P. Philanthropy	60,000	-	(60,000)	-
Workshop West	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Total	<u>\$ 405,000</u>	<u>\$ 235,000</u>	<u>\$ (305,000)</u>	<u>\$ 335,000</u>

Net assets released from restrictions

The Organization reports contributions as unrestricted support unless they are received with donor stipulations that limit the use of the donated assets in which case they are recorded as temporarily restricted support. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services.

Cash equivalents

The Organization considers highly liquid investments with an original maturity of ninety days or less from the date of acquisition to be cash equivalents. Included in cash equivalents are money market funds.

Allowance for doubtful accounts

The Organization deems all accounts receivable to be collectible and accordingly, does not have an allowance for doubtful accounts. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.



**THE PETER C. ALDERMAN FOUNDATION, INC.****Notes to Financial Statements (continued)  
December 31, 2013 and December 31, 2012****Note 2 – Summary of significant accounting policies (continued)****Property and equipment**

The Organization capitalizes property and equipment items that have a useful life of more than one year and are above a nominal amount. Property and equipment is recorded at cost. Depreciation of property and equipment is recorded on a straight-line basis over the estimated useful life of the assets, which range from 3 to 5 years.

**Concentrations of credit risk**

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and receivables. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. The Organization's receivables consist principally of amounts due from donors. Management monitors the collectability of receivables. The Organization believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents and receivables.

**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 amounts reported in the financial statements. Actual results could differ from these estimates.

**Subsequent events**

The Organization has evaluated events and transactions for potential recognition or disclosure through August 19, 2014, which is the date the financial statements were available to be issued.

**Note 3 – Tax status**

The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization and not a private Organization within the meaning of Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. As of December 31, 2013, no amounts have been recognized for any uncertain income tax positions. The Organization's tax returns for the 2010 year and forward are subject to the usual review by the appropriate authorities.