

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

**Financial Statements  
for the year ended  
December 31, 2014**

**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, 2014 and December 31, 2013 and the related statements of activities, functional expenses 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, 2014 and December 31, 2013, 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*

July 10, 2015

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

**Statement of Financial Position**

**Assets**

	<b>December 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,169,425	\$ 1,004,631
Accounts receivable	-	16,650
Grants receivable	197,989	125,000
Prepaid expenses	-	10,341
Total current assets	1,367,414	1,156,622
<b>Grants receivable, net of current portion</b>	10,000	-
<b>Property and equipment, net of accumulated depreciation of \$20,900 in 2014 and \$20,539 in 2013</b>	-	361
<b>Total assets</b>	<b>\$ 1,377,414</b>	<b>\$ 1,156,983</b>

**Liabilities and Net Assets**

<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 19,133	\$ 14,413
<b>Net assets</b>		
Unrestricted	1,108,292	977,570
Temporarily restricted	249,989	165,000
Total net assets	1,358,281	1,142,570
<b>Total liabilities and net assets</b>	<b>\$ 1,377,414</b>	<b>\$ 1,156,983</b>

See notes to financial statements.

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

**Statement of Activities**

For the Year Ended December 31

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Public support and revenue</b>						
Contributions	\$ 167,195	\$ -	\$ 167,195	\$ 217,701	\$ -	\$ 217,701
Grants	217,500	359,989	577,489	323,077	118,389	441,466
Special events	363,096	-	363,096	259,465	-	259,465
Interest and dividends	523	-	523	456	-	456
Net assets released from restrictions	<u>275,000</u>	<u>(275,000)</u>	<u>-</u>	<u>288,389</u>	<u>(288,389)</u>	<u>-</u>
<b>Total support and revenue</b>	<u>1,023,314</u>	<u>84,989</u>	<u>1,108,303</u>	<u>1,089,088</u>	<u>(170,000)</u>	<u>919,088</u>
<b>Expenses</b>						
Program services	741,808	-	741,808	704,788	-	704,788
Supporting services						
Management and general	43,993	-	43,993	36,247	-	36,247
Fundraising	<u>106,791</u>	<u>-</u>	<u>106,791</u>	<u>99,877</u>	<u>-</u>	<u>99,877</u>
<b>Total expenses</b>	<u>892,592</u>	<u>-</u>	<u>892,592</u>	<u>840,912</u>	<u>-</u>	<u>840,912</u>
<b>Increase (decrease) in net assets</b>	<b>130,722</b>	<b>84,989</b>	<b>215,711</b>	<b>248,176</b>	<b>(170,000)</b>	<b>78,176</b>
<b>Net assets, beginning of year</b>	<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>
<b>Net assets, end of year</b>	<u>\$1,108,292</u>	<u>\$ 249,989</u>	<u>\$1,358,281</u>	<u>\$ 977,570</u>	<u>\$ 165,000</u>	<u>\$1,142,570</u>

See notes to financial statements.

THE PETER C. ALDERMAN FOUNDATION, INC.

Statement of Functional Expenses

For the Year Ended December 31

	2014				2013			
	Supporting Services		Management and		Supporting Services		Management and	
	Program Services	General	Fundraising	Total	Program Services	General	Fundraising	Total
Grants to other organizations	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ 5,000
Training	93,882	-	-	93,882	113,695	-	-	113,695
Clinics	280,852	-	-	280,852	260,203	-	-	260,203
Publications	5,000	-	-	5,000	7,500	-	-	7,500
Salaries and wages	91,011	3,039	14,850	108,900	91,821	3,590	3,589	99,000
Payroll taxes and employee benefits	7,167	239	1,170	8,576	7,269	284	284	7,837
Professional fees	120,850	19,206	4,975	145,031	157,557	18,817	32,488	208,862
Meetings and conferences	37,844	69	100	38,013	6,643	99	27	6,769
Travel	59,831	-	-	59,831	34,746	-	-	34,746
Depreciation	-	361	-	361	-	723	-	723
Special events	5,628	765	82,278	88,671	3,312	518	62,348	66,178
Data and evaluation	9,323	-	-	9,323	-	-	-	-
Office supplies	6,910	9,928	1,813	18,651	7,979	4,084	-	12,063
Telephone	-	4,817	-	4,817	-	3,242	-	3,242
Insurance	340	1,621	-	1,961	322	1,553	-	1,875
Postage	135	-	755	890	41	357	106	504
Bank charges	-	2,947	-	2,947	-	1,812	-	1,812
Information technology	18,035	1,001	850	19,886	8,700	1,168	1,035	10,903
<b>Total Expenses</b>	<b>\$ 741,808</b>	<b>\$ 43,993</b>	<b>\$ 106,791</b>	<b>\$ 892,592</b>	<b>\$ 704,788</b>	<b>\$ 36,247</b>	<b>\$ 99,877</b>	<b>\$ 840,912</b>

See notes to financial statements.

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

**Statement of Cash Flows**

	<b>Year Ended December 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 215,711	\$ 78,176
Adjustments to reconcile increase in net assets to net increase in cash and cash equivalents		
Depreciation	361	723
Contributed securities	(9,807)	(20,196)
Proceeds from sale of contributed securities	9,807	20,196
(Increase) decrease in assets		
Accounts receivable	16,650	(11,300)
Grants receivable	(82,989)	210,000
Prepaid expenses	10,341	(10,341)
Increase (decrease) in accounts payable and accrued expenses	4,720	(8,600)
<b>Net increase in cash and cash equivalents</b>	<b>164,794</b>	<b>258,658</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,004,631</b>	<b>745,973</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$1,169,425</b>	<b>\$1,004,631</b>

See notes to financial statements.

THE PETER C. ALDERMAN FOUNDATION, INC.

Notes to Financial Statements  
December 31, 2014 and December 31, 2013

**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.

Contributions and net assets released from restrictions

Contributions are recognized as revenue when they are received, whether in the form of cash or other assets, or as unconditional pledges. Contributions are considered available for unrestricted use unless the donors restrict the use thereof and are recorded as temporarily restricted support. When a donor stipulation expires, that is, when the purpose or time restriction is achieved, temporarily restricted net assets are reclassified as unrestricted and reported in the statement of activities as net assets released from restrictions.

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Notes to Financial Statements (continued)**  
**December 31, 2014 and December 31, 2013**

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

The following is a summary of the activity of the temporarily restricted net assets for the year ended December 31, 2014:

	Balance at December 31, <u>2013</u>	Contributions and <u>Grants</u>	Released from <u>Restrictions</u>	Balance at December 31, <u>2014</u>
Crown Family				
Philanthropies	\$ 100,000	\$ -	\$ (100,000)	\$ -
Sarlo Foundation	25,000	-	(25,000)	-
Mortar Foundation	40,000	-	(40,000)	-
Fondation D'Harcourt	-	100,000	(50,000)	50,000
Bloomberg, L.P.	-	75,000	-	75,000
Boulegeris Investments, Inc.	-	50,000	(25,000)	25,000
The Velaj Foundation	-	50,000	(25,000)	25,000
Zegar Family Foundation	-	42,000	-	42,000
Fondation de L'Orangerie	-	32,989	-	32,989
John Hopkins University	-	10,000	(10,000)	-
Total	<u>\$ 165,000</u>	<u>\$ 359,989</u>	<u>\$ (275,000)</u>	<u>\$ 249,989</u>

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
Fondation 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, 2014 and December 31, 2013**

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

Cash equivalents

The Organization considers highly liquid instruments with an original maturities of ninety days or less to be cash equivalents. Included in cash equivalents are money market funds.

Allowance for doubtful accounts

The Organization deems all accounts and grants 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.

Property and equipment

The Organization capitalizes property and equipment expenditures for assets that have a useful life of more than one year and are above a nominal amount. Property and equipment additions are recorded at cost. Depreciation of property and equipment is being provided for by the straight-line method over the estimated useful life of the assets, which ranges from 3 to 5 years.

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 benefited.

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.

**THE PETER C. ALDERMAN FOUNDATION, INC.****Notes to Financial Statements (continued)  
December 31, 2014 and December 31, 2013****Note 2 – Summary of significant accounting policies (continued)****Subsequent events**

The Organization has evaluated events and transactions for potential recognition or disclosure through July 10, 2015, 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, 2014, no amounts were recognized for tax benefits resulting from any uncertain income tax positions. The Organization's tax returns for 2011 and forward are subject to the usual review by the appropriate authorities.