

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

**Financial Statements**

**For the Years Ended December 31, 2015 and 2014**

 **BUCHBINDER**

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**For the Years Ended December 31, 2015 and 2014**

**INDEX**

	<u>Page</u>
<b>Independent Auditor's Report</b>	1-2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-11



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of The Peter C. Alderman Foundation, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses 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 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 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.

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One Pennsylvania Plaza  
Suite 5335  
New York, New York 10119  
212.695.5003

6720-A Rockledge Drive  
Suite 510  
Bethesda, Maryland 20817  
240.200.1400

Wayne Plaza II  
155 US Highway 46  
Wayne, New Jersey 07470  
973.812.0100

Buchbinder Tunick & Company LLP  
Certified Public Accountants  
buchbinder.com  
Follow us on [LinkedIn](#)

## 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, 2015, 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.

## Prior Period Financial Statements

The financial statements of the Peter C. Alderman Foundation, Inc., as of December 31, 2014, were audited by other auditors whose report dated July 10, 2015, expressed an unmodified opinion on those statements.

*Buchbinder Tunick & Company LLP*

BUCHBINDER TUNICK & COMPANY LLP

New York, NY  
October 10, 2016

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Statements of Financial Position**  
**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Cash	\$ 944,502	\$ 1,169,425
Unconditional promises to give	252,160	207,989
Prepaid expenses	37,266	-
Security deposit	4,000	-
Other receivables	6,341	-
Property assets, net	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,244,269</u>	<u>\$ 1,377,414</u>
 <b>Liabilities:</b>		
Accounts payable and accrued expenses	<u>\$ 45,692</u>	<u>\$ 19,133</u>
 <b>Net assets:</b>		
Unrestricted	846,936	1,108,292
Temporarily restricted	<u>351,641</u>	<u>249,989</u>
Total net assets	<u>1,198,577</u>	<u>1,358,281</u>
Total liabilities and net assets	<u>\$ 1,244,269</u>	<u>\$ 1,377,414</u>

See notes to financial statements.

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Statements of Activities**  
**For the years ended December 31, 2015 and 2014**

	2015			2014		
	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted
Revenue:						
Contributions	\$ 618,634	\$ 197,196	\$ 421,438	\$ 744,684	\$ 384,695	\$ 359,989
Special events	328,383	328,383	-	363,096	363,096	-
Less: direct benefit costs	(106,503)	(106,503)	-	(88,671)	(88,671)	-
Interest income	542	542	-	523	523	-
Net assets released from purpose restrictions:						
Satisfaction of program restrictions	-	319,786	(319,786)	-	275,000	(275,000)
<b>Total revenue</b>	<b>841,056</b>	<b>739,404</b>	<b>101,652</b>	<b>1,019,632</b>	<b>934,643</b>	<b>84,989</b>
Expenses:						
Program services	741,209	741,209	-	736,180	736,180	-
Supporting activities:						
Management and general	216,898	216,898	-	43,228	43,228	-
Fundraising	42,653	42,653	-	24,513	24,513	-
<b>Total expenses</b>	<b>1,000,760</b>	<b>1,000,760</b>	<b>-</b>	<b>803,921</b>	<b>803,921</b>	<b>-</b>
<b>Change in net assets</b>	<b>(159,704)</b>	<b>(261,356)</b>	<b>101,652</b>	<b>215,711</b>	<b>130,722</b>	<b>84,989</b>
Net assets:						
Beginning of year	1,358,281	1,108,292	249,989	1,142,570	977,570	165,000
End of year	<u>\$ 1,198,577</u>	<u>\$ 846,936</u>	<u>\$ 351,641</u>	<u>\$ 1,358,281</u>	<u>\$ 1,108,292</u>	<u>\$ 249,989</u>

See notes to financial statements.

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Statements of Functional Expenses**  
**For the years ended December 31, 2015 and 2014**

	2015				2014			
	Total	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising
Expenses:								
Salaries	\$ 56,835	\$ 4,162	\$ 37,144	\$ 15,529	\$ 108,900	\$ 91,011	\$ 3,039	\$ 14,850
Payroll taxes	5,010	367	3,274	1,369	8,576	7,167	239	1,170
Consultants and professional fees	310,456	145,439	143,929	21,088	144,128	120,850	18,303	4,975
Clinics support - Africa	224,455	224,455	-	-	181,831	181,831	-	-
Clinics support - other	44,875	44,875	-	-	36,200	36,200	-	-
Programs	143,469	143,469	-	-	62,821	62,821	-	-
Office supplies	17,539	1,251	11,621	4,667	20,444	7,045	10,831	2,568
Pan-african conference	104,512	104,512	-	-	89,587	89,587	-	-
Conferences- other	47,407	47,407	-	-	38,013	37,844	69	100
Travel	5,593	5,593	-	-	59,831	59,831	-	-
Data and evaluation	7,742	7,742	-	-	9,323	9,323	-	-
Grants	-	-	-	-	5,000	5,000	-	-
Training	6,937	6,937	-	-	4,295	4,295	-	-
Depreciation	-	-	-	-	361	-	361	-
Rent	6,000	-	6,000	-	-	-	-	-
Telephone	4,709	-	4,709	-	4,817	-	4,817	-
Insurance	1,963	-	1,963	-	1,961	340	1,621	-
Publications	5,000	5,000	-	-	5,000	5,000	-	-
Information technology	6,350	-	6,350	-	19,886	18,035	1,001	850
Bank charges	1,908	-	1,908	-	2,947	-	2,947	-
<b>Total expenses</b>	<b>\$ 1,000,760</b>	<b>\$ 741,209</b>	<b>\$ 216,898</b>	<b>\$ 42,653</b>	<b>\$ 803,921</b>	<b>\$ 736,180</b>	<b>\$ 43,228</b>	<b>\$ 24,513</b>

See notes to financial statements.

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ (159,704)	\$ 215,711
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	-	361
Changes in operating assets and liabilities:		
(Increase) in unconditional promises to give	(44,171)	(66,339)
(Increase) decrease in prepaid expenses	(37,266)	10,341
(Increase) in security deposit	(4,000)	-
(Increase) in other receivables	(6,341)	-
Increase in accounts payable and accrued expenses	<u>26,559</u>	<u>4,720</u>
Net cash (used in) provided by operating activities	<u>(224,923)</u>	<u>164,794</u>
Cash:		
Beginning of year	<u>1,169,425</u>	<u>1,004,631</u>
End of year	<u>\$ 944,502</u>	<u>\$ 1,169,425</u>

See notes to financial statements.



**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

**Note 1 - Nature of Operations**

The Peter C. Alderman Foundation, Inc. (the "Organization") is a not-for-profit organization incorporated under the Not-for-Profit Corporation Law of New York in 2003. The Organization's mission 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 implements programs, led by locally trained clinicians, working with members of the community to strengthen mental health and recovery for communities devastated by war and armed conflict.

The Organization primarily receives its support from contributions from corporations and individuals. The Organization adheres to the New York Prudent Management of Institutional Funds Act and the New York State Non-Profit Revitalization Act of 2013.

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

**Basis of Accounting**

The Organization's financial statements are presented on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

**Basis of Presentation**

The Organization is required to report 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. As of December 31, 2015 and 2014, the Organization did not have any permanently restricted net assets.

**Use of Estimates**

The preparation of financial statements in accordance 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2015 and 2014**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Depreciation and Amortization**

Furniture and equipment, leasehold improvements and software are depreciated by the straight-line method over their respective estimated useful lives. Leasehold improvements are depreciated over the shorter of the remaining life of the lease or the estimated useful life. The useful lives range from 3 years to 10 years.

**Contributions**

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets as applicable. Amounts are reclassified to unrestricted net assets from temporarily restricted net assets when restrictions expire by passage of time or the fulfillment of the stipulated purpose.

**Unconditional Promises to Give**

Unconditional promises to give are recognized as revenue in the period received.

**Functional Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

The Organization files an annual Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service (the "IRS"). At December 31, 2015, the Organization's Form 990s for the years 2012 through 2015 remain eligible for examination by the IRS.

**Reclassifications**

Certain reclassifications have been made to the 2014 financial statements presentation to correspond to the current year's format. Total net assets and change in net assets are unchanged due to these reclassifications.

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2015 and 2014**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Prior Period Financial Statements**

The financial statements of the Peter C. Alderman Foundation, Inc., as of December 31, 2014, were audited by other auditors whose report dated July 10, 2015, expressed an unmodified opinion on those statements.

**Subsequent Events**

The Organization has evaluated subsequent events and transactions through October 10, 2016, the date that the financial statements were available to be issued.

**Note 3 - Concentrations of Credit Risk**

Cash is a financial instrument that potentially subjects the Organization to concentrations of credit risk. While the Organization attempts to limit any financial exposure by maintaining accounts at high quality financial institutions, its deposit balances may, at times, exceed federally insured limits. The Organization has not experienced any losses on such accounts.

**Note 4 - Net Property Assets**

As of December 31, 2015 and 2014, property assets, at cost, consist of the following:

	<u>2015</u>	<u>2014</u>
Machinery and equipment	\$ -	\$ 20,901
Less: accumulated depreciation	<u>-</u>	<u>(20,901)</u>
Net property assets	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense amounted to \$361 for the year ended December 31, 2014.

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2015 and 2014**

**Note 5 - Unconditional Promises to Give**

At December 31, 2015 and 2014, pledges receivable consisted of:

	<u>2015</u>	<u>2014</u>
Amounts due in:		
Less than one year	\$ 252,160	\$ 197,989
One to five years	<u>-</u>	<u>10,000</u>
Unconditional promises to give	<u>\$ 252,160</u>	<u>\$ 207,989</u>

All pledges are considered collectible until determined by management otherwise. At December 31, 2015, management believes that a valuation account is unnecessary because the unconditional promises will be collected in full.

**Note 6 - Temporarily Restricted Net Assets**

As of December 31, 2015 and 2014, the Organization's temporarily restricted net assets consisted of the following:

	<u>2015</u>	<u>2014</u>
Restricted by program:		
Uganda Community Outreach Program Support	\$ 295,000	\$ -
Rhino Camp refugees - Northern Uganda	10,235	-
Maternal Depression Program	7,500	-
Health care services and training - Kenya	14,074	32,989
Community-based Maternal Mental Health Care	24,832	-
Community Outreach and		
Group Therapy in Uganda	-	50,000
Kitgum Child Soldier Project	-	25,000
U.S. based Director of Programs	-	25,000
Mental health and counseling services for		
victims of violence in Northern Uganda	<u>-</u>	<u>42,000</u>
	<u>351,641</u>	<u>174,989</u>
Restricted by time:		
General operations	<u>-</u>	<u>75,000</u>
Total temporarily restricted net assets	<u>\$ 351,641</u>	<u>\$ 249,989</u>

**THE PETER C. ALDERMAN FOUNDATION, INC.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2015 and 2014**

**Note 7 - Lease Commitment**

Effective October 2015, the Organization operates in a newly leased premise located in New York City, under the terms of an operating lease that expires on September 30, 2016. The lease requires the following future minimum rental payments.

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
Through September 30, 2016	<u>\$ 18,000</u>

Rent expense for the year ended December 31, 2015 amounted to \$6,000.

**Note 8 - Tax Status**

The Organization has been determined by the IRS to be exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements include any uncertain tax positions.