

**SUMOFUS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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FOR THE YEAR ENDED DECEMBER 31, 2014**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
SumOfUs

We have audited the accompanying financial statements of SumOfUs ("SumOfUs", the "Organization") which comprise the statement of financial position as of December 31, 2014, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SumOfUs as of December 31, 2014 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Lederer, Levine & Associates, LLC

August 31, 2015

SUMOFUS
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014

ASSETS

| | |
|-----------------------------------------------------|----------------------------|
| Cash and cash equivalents (Notes B and H) | \$ 1,964,901 |
| Grants and contributions receivable (Notes B and C) | 83,030 |
| Investments (Notes B and D) | 2,600 |
| Prepaid expenses | 12,612 |
| Property and equipment (Notes B and E) | 33,907 |
| Other assets (Note F) | <u>12,376</u> |
| TOTAL ASSETS | \$ <u>2,109,426</u> |

LIABILITIES

| | |
|---------------------------------------|-----------------------|
| Accounts payable and accrued expenses | \$ 178,423 |
| Grants payable (Note G) | <u>30,000</u> |
| TOTAL LIABILITIES | <u>208,423</u> |

COMMITMENTS AND CONTINGENCIES (Note K)

NET ASSETS

| | |
|-----------------------------------------|----------------------------|
| Unrestricted | 1,480,991 |
| Temporarily restricted (Note L) | <u>420,012</u> |
| TOTAL NET ASSETS | <u>1,901,003</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ <u>2,109,426</u> |

The accompanying notes are an integral part of these financial statements.

**SUMOFUS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|------------------------------------------------|---------------------|-----------------------------------|---------------------|
| SUPPORT AND REVENUE | | | |
| Contributions and grants - net (Notes B and I) | \$ 3,729,414 | \$ 674,772 | \$ 4,404,186 |
| Program revenue | 13,266 | | 13,266 |
| In-kind services and costs (Notes B and J) | 5,100 | | 5,100 |
| Other income | 8,553 | | 8,553 |
| Net assets released from restrictions | <u>433,835</u> | <u>(433,835)</u> | |
| TOTAL SUPPORT AND REVENUE | <u>4,190,168</u> | <u>240,937</u> | <u>4,431,105</u> |
| EXPENSES: | | | |
| Program services | 2,859,364 | | 2,859,364 |
| Management and general | 281,161 | | 281,161 |
| Fundraising and development | <u>95,450</u> | | <u>95,450</u> |
| TOTAL EXPENSES | <u>3,235,975</u> | | <u>3,235,975</u> |
| Change in Net Assets | 954,193 | 240,937 | 1,195,130 |
| Net Assets - Beginning of Year | <u>526,798</u> | <u>179,075</u> | <u>705,873</u> |
| Net Assets- End of Year | <u>\$ 1,480,991</u> | <u>\$ 420,012</u> | <u>\$ 1,901,003</u> |

The accompanying notes are an integral part of these financial statements.

SUMOFUS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising and Development</u> | <u>Total</u> |
|-----------------------------------------------------------------------|-----------------------------|---------------------------------------|--------------------------------------------|---------------------|
| Salaries | \$ 765,463 | \$ 130,301 | \$ 16,288 | \$ 912,052 |
| Payroll taxes, employee benefits and administrative costs (Note N) | <u>203,830</u> | <u>28,129</u> | <u>3,516</u> | <u>235,475</u> |
| Total salaries and related costs | 969,293 | 158,430 | 19,804 | 1,147,527 |
| Grants (Note B) | 288,918 | | | 288,918 |
| Campaign costs and media | 206,033 | | | 206,033 |
| Information technology | 345,533 | 2,363 | 295 | 348,191 |
| Consulting and contracted services | 606,020 | 3,328 | 67,853 | 677,201 |
| Legal and accounting | 52,261 | 45,291 | 1,275 | 98,827 |
| Travel and related expenses | 38,606 | 34,202 | 1,840 | 74,648 |
| Occupancy costs (Notes J and K) | 41,404 | 8,079 | 1,010 | 50,493 |
| Recruitment | 19,035 | 3,714 | 464 | 23,213 |
| Office supplies and general expenses | 23,174 | 5,703 | 1,066 | 29,943 |
| Telecommunications | 20,143 | 3,930 | 491 | 24,564 |
| Meetings and conferences | 192,545 | | | 192,545 |
| Staff development | 36,540 | 5,935 | 867 | 43,342 |
| Insurance | 3,018 | 1,900 | 74 | 4,992 |
| Depreciation and amortization | 16,841 | 3,286 | 411 | 20,538 |
| Bad debt expense | <u>5,000</u> | <u>5,000</u> | | <u>5,000</u> |
| TOTAL EXPENSES | <u>\$ 2,859,364</u> | <u>\$ 281,161</u> | <u>\$ 95,450</u> | <u>\$ 3,235,975</u> |

The accompanying notes are an integral part of these financial statements.

**SUMOFUS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|------------------------------------------------------------------------------------------------|------------------|
| Change in net assets | \$ 1,195,130 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation and amortization | 20,538 |
| Changes in Assets and Liabilities: | |
| Decrease (increase) in assets: | |
| Grants and contributions receivable | 105,660 |
| Other receivable | 7,329 |
| Prepaid expenses | (12,235) |
| Other assets | (13,518) |
| Increase (decrease) in liabilities: | |
| Accounts payable and accrued expenses | 77,375 |
| Grants payable | <u>(119,678)</u> |
| Net Cash Provided by Operating Activities | <u>1,260,601</u> |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|----------------------------------------------|-----------------|
| Increase in investments | (2,600) |
| Property and equipment acquisitions | <u>(31,928)</u> |
| Net Cash Used by Investing Activities | <u>(34,528)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|----------------------------------------------|----------------|
| Principal payments on loan payable | <u>(5,300)</u> |
| Net Cash Used by Financing Activities | <u>(5,300)</u> |

NET INCREASE IN CASH AND CASH EQUIVALENTS

1,220,773

Cash and cash equivalents - beginning of year

744,128

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,964,901

Supplementary Disclosure of Cash Flow Information:

Cash paid during the year for interest

\$ - 0 -

The accompanying notes are an integral part of these financial statements.

SUMOFUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note A - Organization and Nature of Activities

SumOfUs.org is a global online community of consumers, small investors, and workers holding corporations accountable and pushing the global economy in the direction of equity, sustainability, and justice. In many of our campaigns, we identify concrete actions that big corporations could take that would make the world a better place -- from reducing pollution to improving workplace safety -- and we educate and mobilize millions of people around the world to fight for those changes. We also work towards systemic changes to the structures, laws, and practices within which for-profit corporations operate -- from stricter regulation of corporate money in politics to stronger cultural principles around the ethical standards to which we hold CEOs.

SumOfUs was incorporated in Washington, DC on June 11, 2011 under section 501(c)4 of the Internal Revenue Service.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

SumOfUs prepares its financial statements using the accrual basis of accounting. SumOfUs follows accounting principles generally accepted in the United States of America ("US GAAP") which include certain specialized requirements set forth in publications of the Financial Accounting Standards Board.

Cash and Cash Equivalents

SumOfUs considers all highly liquid investments with a maturity of less than three months to be cash equivalents.

Grants Receivable

Grants, which consist of unconditional promises to give, are recognized as revenue in the year received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows.

Investments

Investments in marketable securities with readily determinable fair values and investments in debt securities are reported at their fair values.

Fair Value Measurements

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Under U.S. GAAP, a fair value hierarchy has been established which provides for three levels based upon the "input" assumptions used in pricing assets. Level 1 inputs relate to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable either directly or indirectly with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

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 values by input level of the Organization's investments as of December 31, 2014 are as follows:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------|-----------------|-------------------|-------------------|-----------------|
| Assets | | | | |
| Investments: | | | | |
| Cash | \$ 84 | \$ | \$ | \$ 84 |
| Equities | <u>2,516</u> | <u> </u> | <u> </u> | <u>2,516</u> |
| | <u>\$ 2,600</u> | <u>\$</u> | <u>\$</u> | <u>\$ 2,600</u> |

SUMOFUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

Note B – Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. SumOfUs capitalizes property and equipment with a useful life of three years or more and a cost of \$1,000 or more.

Restricted Contributions

Contributions are recognized when the donor makes a promise to give to SumOfUs that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

In-Kind Services and Costs

Contributions of non-cash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services (a) create or enhance non-financial assets or (b) require special skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

Grant Expenditures

Grant expenditures are recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 31, 2015.

Accounting for Uncertainty in Income Taxes

The Organization's accounting policy is to record liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

Note C – Grants and Contribution Receivable

Grants and contributions receivable consist of the following as of December 31, 2014:

Unconditional promises to be collected in:

Less than one year

\$ 83,030

Note D – Investments

Investments at fair market value consist of the following at December 31, 2014:

Cash

\$ 84

Equities

2,516

\$ 2,600

SUMOFUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

Note E – Property and Equipment

Property and equipment consist of the following as of December 31, 2014:

| | |
|--------------------------------|------------------|
| Computers and other equipment | \$ 48,356 |
| Less: accumulated depreciation | <u>(14,449)</u> |
| | <u>\$ 33,907</u> |

Note F – Other Assets

Other assets consist of the following as of December 31, 2014:

| | |
|--------------------------------|------------------|
| Website | \$ 32,440 |
| Less: accumulated amortization | <u>(24,657)</u> |
| | 7,783 |
| Security deposits | <u>4,593</u> |
| | <u>\$ 12,376</u> |

Note G – Grants Payable

Grants payable consist of various grants payable as at December 31, 2014:

| | |
|-------------------------------|------------------|
| Payable in less than one year | \$ <u>30,000</u> |
|-------------------------------|------------------|

Note H – Concentrations

- 1) For the year ended December 31, 2014 approximately 15% of SumOfUs' support and revenue was received from one donor.
- 2) SumOfUs maintains two bank accounts at a bank which is an institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. At December 31, 2014 the uninsured cash balances amounted to \$1,622,540. Management believes that credit risk related to these accounts to be minimal.
- 3) The Organization uses the services of a Payment Service Provider for its online donations. Balances that are on deposit at this provider are not insured by the FDIC. The balance on deposit at December 31, 2014 approximated \$60,500. Management believes that credit risk related to these online payment service accounts to be minimal.

Note I – Contributions and Grants

Contributions and grants consist of the following for the year ended December 31, 2014:

| | |
|------------------------------|---------------------|
| Total contributions | \$ 4,591,142 |
| Less: income processing fees | (167,235) |
| fiscal sponsor fees | <u>(19,727)</u> |
| | <u>\$ 4,404,185</u> |

Note J – In-kind Services and Costs

The Organization received the following in-kind services and costs for the year ended December 31, 2014:

| | |
|-----------------|-----------------|
| Occupancy costs | \$ <u>5,100</u> |
|-----------------|-----------------|

SUMOFUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

Note K – Commitments and Contingencies

The Organization has no cancelable obligations. SumOfUs received in-kind rental space and related costs at their New York City office location. (See Note J). In addition, SumOfUs has a month to month license for space in San Francisco, CA and the Organization licenses other facilities in various locations to conduct its programs on a temporary basis. Occupancy expense amounted to \$50,493 for the year ended December 31, 2014.

The Organization has a line of credit with a bank up to \$50,000 related to its credit card usage by various employees. At December 31, 2014 approximately \$500 was used. The line of credit balance is included in accounts and accrued expenses payable on the statements of financial position.

Note L – Temporarily Restricted Net Assets

Temporarily restricted net assets were subject to the following restrictions as at December 31, 2014:

| | |
|-----------------|-------------------|
| Time restricted | \$ <u>420,012</u> |
|-----------------|-------------------|

Note M – Collective Bargaining Agreement

In October 2013 the International Federation of Professional and Technical Engineers, Local 70, AFL-CIO, sought recognition as the exclusive bargaining representative of SumOfUs employees, on the basis of written authorizations signed by a majority of those employees. The Board of Directors subsequently recognized Local 70 as the bargaining representative of SumOfUs non-management employees in the United States. On March 31, 2014, SumOfUs and Local 70 entered into a collective bargaining agreement covering this bargaining unit for the period from April 1, 2014 to March 31, 2016.

Note N – Retirement Plan

Effective August 1, 2014, the Organization adopted a 401(k) plan. All employees become eligible after six months from date of hire. Employees are 100% vested upon entering the plan. The Organization will contribute an 8% non-matching contribution of salary annually for all eligible staff. For the year ended December 31, 2014 the Organization contributed \$22,028.