

Albert B. Sabin Vaccine Institute, Inc.

Financial Statements
and Independent Auditors' Report

December 31, 2015 and 2014

Albert B. Sabin Vaccine Institute, Inc.

Financial Statements
December 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Albert B. Sabin Vaccine Institute, Inc.

We have audited the accompanying financial statements of the Albert B. Sabin Vaccine Institute, Inc. ("the Institute"), which comprise the statements of financial position as of December 31, 2015 and 2014, 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 audit 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.

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 Institute as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on page 17 is presented for purposes of additional analysis and is 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 auditing procedures applied in the audits of the financial statements and certain additional 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 as a whole.

A handwritten signature in black ink that reads "Rogers & Company PLLC". The signature is written in a cursive, slightly stylized font. The word "Rogers" is written in a larger, more prominent script, followed by "& Company" and "PLLC" in a smaller, more uniform script.

Vienna, Virginia
May 19, 2016

Albert B. Sabin Vaccine Institute, Inc.

Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 7,606,561	\$ 8,570,591
Investments	8,625,622	12,035,543
Grants receivable, net	2,713,188	2,901,182
Other receivables	87,026	39,158
Prepaid expenses and deposits	256,365	333,003
Property and equipment, net	31,148	48,056
Patent, net	2,970,153	-
Total assets	<u>\$ 22,290,063</u>	<u>\$ 23,927,533</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,630,503	\$ 2,129,111
Deferred grant revenue	128,996	185,303
Deferred rent	84,879	139,947
Total liabilities	<u>1,844,378</u>	<u>2,454,361</u>
Net Assets		
Unrestricted	2,148,552	2,290,427
Temporarily restricted	18,297,133	19,182,745
Total net assets	<u>20,445,685</u>	<u>21,473,172</u>
Total liabilities and net assets	<u>\$ 22,290,063</u>	<u>\$ 23,927,533</u>

See accompanying notes.

Albert B. Sabin Vaccine Institute, Inc.Statement of Activities
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Grants	\$ 25,000	\$ 11,113,746	\$ 11,138,746
Contributions	211,618	3,640,698	3,852,316
In-kind patent donation	-	2,989,800	2,989,800
Investment income	13,571	10,185	23,756
Membership dues	-	18,100	18,100
Released from restrictions	18,658,141	(18,658,141)	-
	<u>18,908,330</u>	<u>(885,612)</u>	<u>18,022,718</u>
Expenses			
Program services	17,002,515	-	17,002,515
Supporting services:			
General and administrative	1,755,883	-	1,755,883
Fundraising	291,807	-	291,807
	<u>2,047,690</u>	<u>-</u>	<u>2,047,690</u>
Total expenses	<u>19,050,205</u>	<u>-</u>	<u>19,050,205</u>
Change in Net Assets	(141,875)	(885,612)	(1,027,487)
Net Assets , beginning of year	<u>2,290,427</u>	<u>19,182,745</u>	<u>21,473,172</u>
Net Assets , end of year	<u>\$ 2,148,552</u>	<u>\$ 18,297,133</u>	<u>\$ 20,445,685</u>

See accompanying notes.

Albert B. Sabin Vaccine Institute, Inc.

Statement of Activities
For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Grants	\$ -	\$ 15,462,386	\$ 15,462,386
Contributions	490,752	3,115,968	3,606,720
Investment income	18,174	10,352	28,526
Membership dues	-	16,450	16,450
Released from restrictions	18,971,120	(18,971,120)	-
Total revenue and support	19,480,046	(365,964)	19,114,082
Expenses			
Program services	17,430,180	-	17,430,180
Supporting services:			
General and administrative	1,805,393	-	1,805,393
Fundraising	257,793	-	257,793
Total supporting services	2,063,186	-	2,063,186
Total expenses	19,493,366	-	19,493,366
Change in Net Assets	(13,320)	(365,964)	(379,284)
Net Assets, beginning of year	2,303,747	19,548,709	21,852,456
Net Assets, end of year	\$ 2,290,427	\$ 19,182,745	\$ 21,473,172

Albert B. Sabin Vaccine Institute, Inc.

Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in net assets	\$ (1,027,487)	\$ (379,284)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization on property and equipment	16,908	20,003
Amortization on patent	19,647	-
Net decrease in discount on grants receivable	(16,625)	(29,699)
Donated intangible assets	(2,989,800)	-
Donated securities	(4,843)	(4,855)
Change in operating assets and liabilities:		
Decrease in grants receivable	204,619	1,077,305
(Increase) decrease in other receivables	(47,868)	31,388
Decrease (increase) in prepaid expenses and deposits	76,638	(134,151)
Decrease in accounts payable and accrued expenses	(498,608)	(62,476)
Decrease in deferred grant revenue	(56,307)	(19,286)
Decrease in deferred rent	(55,068)	(38,299)
Net cash (used in) provided by operating activities	(4,378,794)	460,646
Cash Flows from Investing Activities		
Purchases of investments	(874,916)	(7,115,392)
Proceeds from sale of investments	4,289,680	4,503,943
Net cash provided by (used in) investing activities	3,414,764	(2,611,449)
Cash Flows from Financing Activity		
Principal payments on capital lease obligation	-	(3,391)
Net cash used in financing activity	-	(3,391)
Net Decrease in Cash and Cash Equivalents	(964,030)	(2,154,194)
Cash and Cash Equivalents, beginning of year	8,570,591	10,724,785
Cash and Cash Equivalents, end of year	\$ 7,606,561	\$ 8,570,591

See accompanying notes.

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

1. Nature of Operations

The Albert B. Sabin Vaccine Institute, Inc. (“the Institute”) is a not-for-profit organization that was incorporated in January 1994 under the laws of the state of Maryland to operate for charitable, educational, and scientific purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). It is dedicated to continuing the work and achieving the vision of Dr. Albert Sabin to reduce needless human suffering from vaccine-preventable and neglected tropical diseases through innovative vaccine research and development; and to advocate for improved access to vaccines and essential medicines for citizens around the globe.

The Institute receives support in the form of contributions, sponsorships, and grants. Through various program activities, the Institute has been at the forefront of efforts to control, treat, and eliminate vaccine-preventable and neglected tropical diseases by developing low-cost and safe vaccines, advocating use of existing vaccines, promoting increased access to affordable medical treatments, and convening thought leaders and policy makers and facilitating linkages between like-minded organizations.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements are prepared on the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded when incurred. Net assets are classified as follows:

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of the Institute’s operations. Unrestricted net assets were \$2,148,552 and \$2,290,427 at December 31, 2015 and 2014, respectively.
- *Temporarily restricted net assets* represent funds subject to donor-imposed restrictions that are met either by actions of the Institute or the passage of time. There were \$18,297,133 and \$19,182,745 in temporarily restricted net assets at December 31, 2015 and 2014, respectively.

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

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

For the purpose of the statements of cash flows, the Institute considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase. Excluded from this definition are amounts intended for use as investment reserves.

Investments

Investments are stated at fair value, are based on quoted market prices, and consist primarily of money market funds held for investment. Realized and unrealized gains and losses, when recognized, are reported as a component of investment income in the accompanying statements of activities.

Donated marketable securities are recorded at fair value at the time of receipt. The Institute's general policy is to liquidate these investments shortly after receipt.

Grants Receivable

Grants receivable represents amounts that have been promised but not yet received. Grants receivable beyond one year have been discounted to reflect the present value. No allowance for doubtful accounts has been recorded as management believes that all receivables are fully collectible.

Property and Equipment

Property and equipment with a cost greater than \$5,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Property and equipment are stated at cost less accumulated depreciation and amortization, which is computed using the straight-line method over the assets' estimated useful lives, which range from 5 to 7 years. Upon the retirement or disposal of assets, the cost and accumulated depreciation and amortization are eliminated from the respective accounts and the resulting gain or loss is included in revenue or expenses. Expenditures for maintenance and repairs are charged to expenses as incurred.

Patent

The donated patent is stated at the original assessed value less amortization computed on the straight-line method over the estimated life of the patent.

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donors. The Institute reports grants and contributions as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

All other revenue is recognized when earned.

Donated Goods and Services

Donations of goods are recorded as support at their estimated fair values at the date of donation. During the years ended December 31, 2015 and 2014, the Institute received donated securities in the amount of \$4,843 and \$4,855, respectively.

Donated services are recognized if the services received create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donations. For the years ended December 31, 2015 and 2014, the Institute received pro bono legal services in the amount of \$84,121 and \$85,368, respectively, which are recorded in contributions revenue and donated legal expenses in the accompanying statements of activities.

Foreign Currency Transactions

The Institute has certain contracts that call for the use of transactions denominated in foreign currencies. The foreign currency transaction gains (losses) resulting from exchange rate fluctuations on transactions denominated in a currency other than the U.S. dollar are included net in program expenses on the statements of activities, as they related to programmatic revenue. The Institute did not experience any net foreign currency transaction losses during the years ended December 31, 2015 and 2014.

Functional Expenses

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

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through May 19, 2016, the date the financial statements were available to be issued.

3. Concentrations of Risk

Credit

Financial instruments that potentially subject the Institute to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Institute maintains interest-bearing cash deposits and investments with a financial institution that exceed insurable limits under the Federal Depository Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Institute has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue

The Institute derives its revenue and other support primarily from grants and contributions from private foundations and corporations in the pharmaceutical industry. Any material change in the level of support from these organizations could affect the Institute's program activities.

4. Investments and Fair Value Measurements

The Institute follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

4. Investments and Fair Value Measurements (continued)

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs.

The Institute recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, the Institute uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Institute's fair value hierarchy for those investments measured on a recurring basis as of December 31:

	Total fair value	Level 1	Level 2	Level 3
<u>2015:</u>				
Money market funds, held for investment	\$ 8,625,622	\$ 8,625,622	\$ -	\$ -
<u>2014:</u>				
Money market funds, held for investment	\$ 12,035,543	\$ 12,035,543	\$ -	\$ -

Investment income consists of the following for the years ended December 31:

	2015	2014
Interest and dividends	\$ 23,756	\$ 28,526
Total investment income	\$ 23,756	\$ 28,526

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

5. Grants Receivable

Grants receivable include unconditional promises to give and are receivable as follows at December 31:

	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ 1,077,320	\$ 1,898,111
Receivable in one to five years	1,652,009	1,035,837
Less: discount to present value	<u>(16,141)</u>	<u>(32,766)</u>
Grants receivable, net	<u><u>\$ 2,713,188</u></u>	<u><u>\$ 2,901,182</u></u>

The Institute has not recorded an allowance for uncollectible amounts, as management believes all grant amounts are fully collectible. The discount on grants receivable was calculated using risk-free rates ranging from 2% to 3%.

6. Property and Equipment

The Institute held the following property and equipment at December 31:

	<u>2015</u>	<u>2014</u>
Computer equipment and software	\$ 157,725	\$ 157,725
Furniture and equipment	<u>152,006</u>	<u>152,006</u>
Total property and equipment	309,731	309,731
Less: accumulated depreciation and amortization	<u>(278,583)</u>	<u>(261,675)</u>
Property and equipment, net	<u><u>\$ 31,148</u></u>	<u><u>\$ 48,056</u></u>

7. Patent

During 2015, the Institute was assigned a patent donation for a safety syringe technology from one of the original inventors. At the time of donation, the patent was valued by a professional third-party company at \$2,989,800, with an estimated remaining life of 12 years and 10 months. Accumulated amortization for the year ended December 31, 2015 was \$19,647.

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

8. Commitments and Contingencies

Operating Lease

During 2009, the Institute signed a sublease for new office space on Pennsylvania Avenue in Washington, D.C., commencing in March 2009 and continuing for an eight-year term. The sublease calls for monthly payments of \$40,377, with fixed annual increases. Under accounting principles generally accepted in the United States of America, all fixed rent increases and lease incentives are recognized on a straight-line basis ratably over the term of the sublease. The difference between this expense and the required lease payments is reflected as deferred rent in the accompanying statements of financial position.

Rent expense for the years ended December 31, 2015 and 2014 under all leases amounted to approximately \$537,039 and \$537,695, respectively. Minimum future payments under all leases are as follows for the years ending December 31:

2016	\$	593,009
2017		<u>99,317</u>
Total future minimum payments	\$	<u><u>692,326</u></u>

Subsequent to year end on March 9, 2016, the Institute signed a letter of intent to enter into a new operating lease for office space at a new location. The new lease is scheduled to commence on February 1, 2017 and expires on January 31, 2028, and includes a 12-month abatement period for base rent. The lease calls for a base rental rate for the space at \$50.75 per rentable square foot, per year, with annual 2.5% increases. The Institute is responsible for its proportionate share of increases in the building operating expenses and real estate taxes allocable to the rentable office area included in the lease. The landlord has provided, as a lease incentive, a leasehold improvement allowance in the amount of \$95 per rentable square foot of the office space.

Capital Lease

The Institute leased certain office equipment under capitalized lease arrangements. Capitalized assets of \$15,970 have been included in property and equipment as of December 31, 2015 and 2014. During the year ended December 31, 2014, the lease ended and the office equipment became the property of the Institute. Interest expense related to the leases for the year ended December 31, 2014 amounted to \$129.

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

9. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31:

	2015	2014
Safety syringe advocacy	\$ 2,973,153	\$ -
Typhoid initiatives	2,700,050	4,469,949
International Association of Immunization Managers	2,288,678	1,189,323
Sustainable immunization financing	2,254,783	825,448
Hookworm vaccine R&D initiatives	2,033,993	4,360,302
Global Network for Neglected Tropical Diseases	1,203,415	2,715,636
Multivalent anthelmintic vaccine R&D initiatives	1,169,069	1,445,048
Rubella initiatives	893,724	1,042,495
Meningococcal initiatives	700,528	895,101
Chagas adjuvant development	504,538	577,973
Schistosomiasis vaccine R&D initiatives	375,295	507,342
Rotavirus initiatives and conferences	341,059	289,823
Pneumococcal initiatives	330,533	419,548
Dengue initiatives	304,232	156,580
SARS vaccine R&D initiative	84,530	-
Ciro de Quadros vaccinology course	79,406	-
Flu vaccine initiatives	53,053	93,391
EPI manager ACIP training, vaccine awareness, journalist training, and vaccinology course	7,094	173,043
ProVac initiatives	-	21,743
	\$ 18,297,133	\$ 19,182,745

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

10. Employee Benefits

The Institute offers a 401(k) plan to full-time employees who are 21 years of age and have completed three consecutive months of employment. Employees may participate by deferring compensation up to the Internal Revenue Service limit, which was \$18,000 in 2015 and \$17,500 in 2014, into the plan each year on a voluntary basis. Additionally, the Institute may elect to match a portion of the employee's contribution on an annual basis. During the years ended December 31, 2015 and 2014, the Institute's match amounted to \$122,686 and \$110,552, respectively.

11. Related Parties

Vaccine Development Program

During 2011, the Institute entered into an affiliation with Baylor College of Medicine (BCM) and Texas Children's Hospital (TCH) to jointly enhance and support efforts for vaccine development, treatment, prevention, and advocacy pertaining to neglected and other tropical diseases. In conjunction with this, the Institute relocated its Vaccine Development Program (VDP) and agreed to operate the VDP pursuant to a Memorandum of Understanding (MOU) between all parties. While the Institute's President also serves in various capacities with BCM and TCH, and there is nominal governance overlap, there is no controlling financial interest between the parties, all of whom are independent organizations.

Pursuant to the MOU, the Institute received a multiyear commitment of \$20,000,000 over a ten year period commencing in 2011, to be used to fund initiatives of the VDP under the control of the Institute (\$2 million maximum per year plus prior year used amounts). As the funding is over a period of years, revenue is recognized by the Institute as expenditures are incurred and funds are drawn down. During the years ended December 31, 2015 and 2014, the Institute recognized both revenue and programmatic expenditures of \$1,450,459 and \$1,135,356, respectively, related to the VDP under the terms of the MOU.

In relation to the MOU, BCM received direct funding for the benefit of the VDP under control of the Institute's President. During the years ended December 31, 2015 and 2014, the Institute recognized both revenue and programmatic expenditures of \$1,857,742 and \$1,894,370, respectively, for the development of new vaccines.

Albert B. Sabin Vaccine Institute, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

11. Related Parties (continued)

Sabin Foundation Europe

During 2011, Sabin Foundation Europe (“the Foundation”) was formed as a private company limited by guarantee under the laws of the United Kingdom, and further recognized by the Charities Commission. The Foundation’s purpose is the advancement of health through vaccine research, development, and advocacy to prevent infectious and neglected tropical diseases. While the organizations share a common mission and have some Board overlap, there is no controlling financial interest between the two, and the Foundation’s operations are not included in the accompanying financial statements. The Institute anticipates working with the Foundation prospectively through grant-making and other possible joint activities.

12. Income Taxes

Under IRC Section 501(c)(3), the Institute is exempt from the payment of taxes on income other than net unrelated business income. No provision for income tax is required for the years ended December 31, 2015 and 2014 as there was no net unrelated business income. Contributions to the Institute are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management evaluated the Institute’s tax positions and concluded that the Institute’s financial statements do not include any uncertain tax positions.

13. Supplementary Disclosures of Cash Flow Information

Supplementary cash flow information is as follows for the years ended December 31:

	<u>2015</u>	<u>2014</u>
Donated patent	\$ 2,989,800	\$ -
Cash paid during the year for interest	<u>\$ 1,322</u>	<u>\$ 2,068</u>

SUPPLEMENTARY INFORMATION

Albert B. Sabin Vaccine Institute, Inc.

Schedules of Functional Expenses
For the Years Ended December 31, 2015 and 2014

	2015				2014			
	Program	General and Administrative	Fundraising	Total	Program	General and Administrative	Fundraising	Total
Salaries	\$ 3,393,664	\$ 652,590	\$ 196,057	\$ 4,242,311	\$ 3,162,071	\$ 721,581	\$ 161,790	\$ 4,045,442
Employee benefits	395,242	68,950	24,071	488,263	374,880	72,319	17,309	464,508
Payroll taxes	219,555	37,596	13,289	270,440	221,357	47,613	12,037	281,007
Professional fees	1,606,680	143,352	200	1,750,232	1,214,569	143,964	(757)	1,357,776
Advertising and promotions	175,677	19,628	6,391	201,696	459,789	51,391	79	511,259
Office supplies	73,514	12,866	90	86,470	79,183	16,284	190	95,657
Telephone	46,874	14,809	1,990	63,673	43,196	19,524	1,587	64,307
Postage and printing	38,164	5,268	1,250	44,682	56,958	8,716	422	66,096
Computer and copier	15,412	2,708	-	18,120	20,881	4,095	2,147	27,123
Rent	16,370	520,669	-	537,039	17,026	520,669	-	537,695
Insurance	48,925	75,391	-	124,316	45,838	77,094	-	122,932
Information technology	2,846	8,904	49	11,799	5,346	8,904	-	14,250
Seminar and training	6,147	-	194	6,341	9,525	2,197	188	11,910
Books and publications	-	-	-	-	-	185	1,515	1,700
Dues and subscriptions	36,111	11,365	6,324	53,800	28,889	9,840	6,271	45,000
Conferences and meetings	1,618,045	21,232	351	1,639,628	1,800,629	29,072	603	1,830,304
Sub-recipient grants	5,054,532	928	17,445	5,072,905	6,063,888	-	35,793	6,099,681
VDP contract expenses	3,308,201	-	-	3,308,201	3,029,726	-	-	3,029,726
Travel	883,418	1,335	21,888	906,641	772,685	12,339	16,908	801,932
Interest	1,322	-	-	1,322	1,696	372	-	2,068
Bank charges	55	20,760	-	20,815	540	20,990	-	21,530
Depreciation and amortization	19,647	16,908	-	36,555	-	20,003	-	20,003
Recruiting	20,801	109,734	2,072	132,607	12,790	7,241	1,681	21,712
Foreign exchange loss	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-
Miscellaneous	21,313	10,890	146	32,349	8,718	11,000	30	19,748
Total Expenses	\$ 17,002,515	\$ 1,755,883	\$ 291,807	\$ 19,050,205	\$ 17,430,180	\$ 1,805,393	\$ 257,793	\$ 19,493,366