

**ALPHA USA**  
*Naperville, Illinois*

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**(See independent auditors' report)**

**ALPHA USA**  
*Naperville, Illinois*

**FINANCIAL STATEMENTS**  
*December 31, 2015 and 2014*

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Alpha USA  
Naperville, Illinois

We have audited the accompanying financial statements of Alpha USA (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, 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 Alpha USA 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 schedules of functional expenses presented in Schedules 1 and 2, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## **Report on Summarized Comparative Information**

We have previously audited Alpha USA's 2013 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated July 31, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Mowery & Schoenfeld LLC*

Mowery & Schoenfeld, LLC

Lincolnshire, Illinois  
June 13, 2016

**ALPHA USA**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2015 AND 2014**

<b><u>ASSETS</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 926,308	\$ 954,183
Accounts receivable, less allowance for doubtful accounts of \$19,451 and \$41,425 in 2015 and 2014, respectively	33,369	49,294
Unconditional promises to give, less allowance for doubtful pledges of \$73,000 and \$166,000 in 2015 and 2014, respectively (Note 3)	101,233	134,275
Inventory	184,887	247,928
Prepaid expenses	32,215	32,493
Other current assets	2,224	13,657
Total current assets	<u>1,280,236</u>	<u>1,431,830</u>
<b>PROPERTY AND EQUIPMENT, net (Note 4)</b>	57,197	65,954
<b>OTHER ASSETS</b>		
Long-term unconditional promises to give (Note 3)	35,848	42,237
Intangible assets, net of accumulated amortization of \$85,000 and \$75,000 in 2015 and 2014, respectively	15,000	25,000
Security deposits	10,925	10,925
Total other assets	<u>61,773</u>	<u>78,162</u>
	<u>\$ 1,399,206</u>	<u>\$ 1,575,946</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Board member advance (Note 11)	\$ 25,500	\$ 25,500
Current portion of long-term debt (Note 6)	40,294	6,722
Accounts payable	126,801	158,723
Pass-through contributions payable	581,393	341,445
Accrued wages and related expenses	123,083	94,369
Accrued expenses	10,582	7,899
Total current liabilities	<u>907,653</u>	<u>634,658</u>
<b>LONG-TERM DEBT</b>		
Long-term debt, net of current portion (Note 6)	229,706	300,000
<b>NET ASSETS</b>		
Unrestricted	225,999	234,927
Temporarily restricted (Note 7)	35,848	406,361
Total net assets	<u>261,847</u>	<u>641,288</u>
	<u>\$ 1,399,206</u>	<u>\$ 1,575,946</u>

See accompanying notes to financial statements.

**ALPHA USA**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>UNRESTRICTED NET ASSETS</b>		
Unrestricted revenue and public support		
Sale of publications	\$ 838,088	\$ 1,013,746
Less cost of publications sold (Note 11)	418,192	514,639
Gross profit from the sale of publications	419,896	499,107
Conference registrations	44,027	64,755
Regional leadership teams	1,135,954	1,404,318
Alpha in prisons	464,692	393,705
Other specialty ministries	570,562	605,323
Contributions and fundraising (Note 12)	2,789,604	1,765,275
Pass-through to international affiliates (Note 11)	4,247,825	4,534,250
Other income	96,536	64,717
Total unrestricted revenue and public support	9,769,096	9,331,450
Net assets released from restrictions		
Restrictions satisfied by payments	406,361	430,244
Total unrestricted revenue and public support	10,175,457	9,761,694
<b>EXPENSES (Schedules 1 and 2), (Note 2)</b>		
Program service expenses		
Publishing and marketing	837,592	791,090
Conferences	49,803	64,241
Regional leadership teams	2,606,848	2,358,822
Alpha in prisons	502,223	388,245
Other specialty ministries	1,071,481	897,893
Total program service expenses	5,067,947	4,500,291
General and administrative	124,506	104,547
Fundraising	744,107	606,290
Subtotal functional expenses	5,936,560	5,211,128
Pass-through contributions to international affiliates (Note 11)	4,247,825	4,534,250
Total expenses	10,184,385	9,745,378
Change in unrestricted net assets	(8,928)	16,316
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
General operations	35,848	329,233
Net assets released from temporary restrictions	(406,361)	(430,244)
Change in temporarily restricted net assets	(370,513)	(101,011)
Change in net assets	(379,441)	(84,695)
<b>NET ASSETS, BEGINNING OF YEAR</b>	641,288	725,983
<b>NET ASSETS, END OF YEAR</b>	\$ 261,847	\$ 641,288

See accompanying notes to financial statements.

**ALPHA USA**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (379,441)	\$ (84,695)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	32,498	34,741
Provision for unfulfilled promises to give	11,496	91,628
Advances from board members converted to contributions	-	(72,000)
Changes in operating assets and liabilities:		
Accounts receivable	15,925	(26,403)
Unconditional promises to give	27,935	(44,690)
Inventory	63,041	22,456
Prepaid expenses	278	(30,891)
Other current assets	11,433	(261)
Accounts payable	(31,922)	(81,082)
Pass-through contributions payable	239,948	304,650
Accrued expenses	31,397	(24,783)
Net cash provided by operating activities	<u>22,588</u>	<u>88,670</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(13,741)	(12,061)
Net cash used in investing activities	<u>(13,741)</u>	<u>(12,061)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments to board members	-	(53,000)
Borrowings on line of credit facility	-	300,000
Repayments on line of credit facility	(30,000)	-
Principal payments on long-term debt	(6,722)	(39,555)
Net cash provided by (used in) financing activities	<u>(36,722)</u>	<u>207,445</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(27,875)	284,054
Cash and cash equivalents, beginning of year	<u>954,183</u>	<u>670,129</u>
Cash and cash equivalents, end of year	<u>\$ 926,308</u>	<u>\$ 954,183</u>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

Cash paid during the year for:		
Interest	\$ 7,922	\$ 3,170

**SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES**

Advances from board members converted to contributions	\$ -	\$ 72,000
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See accompanying notes to financial statements.

**ALPHA USA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

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**NOTE 1 – ORGANIZATION AND PURPOSE**

Alpha USA (the “Organization”) is a nonprofit corporation instituted under the laws of the State of New York. The Organization has established regional branches in various locations throughout the United States, with its management, general, and administrative operations centralized in Chicago.

The Organization’s mission is to provide a practical introduction to the Christian faith. The Organization offers courses at churches, schools, and prisons as a means of reaching out to individuals and helping them explore the relevance of the Christian faith in their daily lives.

The organization is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Contributions and Financial Statement Presentation**

All contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Amounts received that are designated for future periods are reported as temporarily restricted support. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization presents its cash flows using the indirect method. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Inventory**

Inventory is stated at the lower of cost or market, with cost determined using the weighted average method. Inventory primarily consists of various licensed publications including books, DVDs, banners and other assorted training materials.



**ALPHA USA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property and Equipment**

Property and equipment are recorded at cost and contributed property and equipment are recorded at their estimated fair market value on the date of donation. Property and equipment are depreciated for financial reporting purposes using the straight-line method over estimated useful lives of five to seven years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for normal maintenance and repairs are charged to expense as incurred.

**Impairment of Long-Lived Assets**

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Intangible Assets**

Intangible assets include costs capitalized for publishing rights of three books that are being amortized over the estimated useful life of ten years. The carrying amount of intangible assets is reviewed on an annual basis by management for recoverability or impairment. Publishing rights that are deemed to be impaired are written off or adjusted down to fair market value based on undiscounted future cash flows. Amortization periods for publishing rights are adjusted prospectively as facts and circumstances change. Amortization expense totaled \$10,000 in 2015 and 2014. Management estimates that amortization expense will approximate \$10,000 and \$5,000 for the years ended 2016 and 2017, respectively.

**Advertising Costs**

Non-direct response advertising costs are expensed as incurred and totaled \$86,994 and \$90,826 for the years ended December 31, 2015 and 2014, respectively.

**Functional Expenses**

The costs of providing programs have been summarized on a functional basis in the statement of activities. Expenses are charged to program or supporting services based upon specific identification and allocation estimates. Indirect payroll and operational expenses have been allocated based on direct salary expenditures.

**Income Taxes**

The Organization files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. With few exceptions, the Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2012.

**ALPHA USA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Reclassifications**

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

**Subsequent Events**

Events that occurred subsequent to December 31, 2015 have been evaluated by management through the time of issuing this report on June 13, 2016.

**NOTE 3 – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give represent pledged contributions made by donors to support local offices, specialty ministries, and general operations. Designation of funds related to unconditional promises to give are comprised of the following at December 31:

	<b><u>Due in one year</u></b>	<b><u>Due in one to five years</u></b>	<b><u>Total</u></b>
Chicago	\$ 2,400	\$ -	\$ 2,400
Regional leadership teams	130,262	34,428	164,690
Specialty ministries	15,771	4,450	20,221
General operations	25,800	-	25,800
Total	<u>174,233</u>	<u>38,878</u>	<u>213,111</u>
Less:			
Discount to net present value (5%)	-	3,030	3,030
Allowance for doubtful pledges	73,000	-	73,000
Net pledges receivable – 12/31/15	<u>\$ 101,233</u>	<u>\$ 35,848</u>	<u>\$ 137,081</u>
Net pledges receivable – 12/31/14	<u>\$ 134,275</u>	<u>\$ 42,237</u>	<u>\$ 176,512</u>

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment is stated at cost and is comprised of the following at December 31:

	<b><u>2015</u></b>	<b><u>2014</u></b>
Computer equipment	\$ 104,101	\$ 91,031
Computer software	186,643	186,643
Furniture and fixtures	47,994	47,994
Leasehold improvements	14,976	14,976
	<u>353,714</u>	<u>340,644</u>
Less accumulated depreciation	296,517	274,690
	<u>\$ 57,197</u>	<u>\$ 65,954</u>

**ALPHA USA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

**NOTE 5 – LINE OF CREDIT**

The Organization had outstanding borrowings of \$270,000 and \$300,000 as of December 31, 2015 and 2014, respectively, under a \$300,000 line of credit facility with Citibank, N.A. Interest on outstanding borrowings accrues at the LIBOR rate (0.43% at December 31, 2015) plus 2.50% and is payable monthly. Beginning in May 2016, principal is payable monthly based on 2.00% of the prior month's outstanding borrowings. Borrowings under the line of credit are collateralized by all assets of the Organization.

**NOTE 6 – LONG-TERM DEBT**

Long-term debt consists of the following at December 31:

	<u>2015</u>	<u>2014</u>
Line of credit facility with Citibank, N.A. (Note 5)	\$ 270,000	\$ 300,000
Note payable to Heartland Business Credit. The note is non-interest bearing, with monthly principal payments of \$3,296 plus sales tax, and is payable through February 28, 2015. The note is collateralized by the software financed.	-	6,721
	<u>270,000</u>	<u>306,721</u>
Less: current portion due within one year	40,294	6,721
	<u>\$ 229,706</u>	<u>\$ 300,000</u>

Maturities of long-term debt subsequent to December 31, 2015 are as follows:

2016	\$ 40,293
2017	49,451
2018	38,805
2019	30,450
2020	23,895
Thereafter	87,106
	<u>\$ 270,000</u>

**NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS**

The Organization has recorded temporarily restricted net assets in the amounts of \$35,848 and \$406,361 as of December 31, 2015 and 2014, respectively, and are designated for the following purposes:

	<u>2015</u>	<u>2014</u>
Future periods	\$ 35,848	\$ 42,237
Alpha in prisons	-	364,124
	<u>\$ 35,848</u>	<u>\$ 406,361</u>

**ALPHA USA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

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**NOTE 8 – EMPLOYEE BENEFIT PLANS**

The Organization sponsors a 403(b) plan with an employer matching option, not to exceed 4% of gross compensation. This plan is qualified under Section 401(a) of the Internal Revenue Code and covers all employees who have met the plan participation requirements. Contributions to the plan approximated \$37,000 during 2014. The Organization did not make any contributions to the plan in 2015.

**NOTE 9 – LEASE COMMITMENTS**

The Organization leases office facilities and office equipment under non-cancelable operating lease agreements that expire through February 2018. Rent expense related to these operating leases approximated \$159,000 and \$104,000 in 2015 and 2014, respectively.

Minimum future rentals payable under non-cancelable operating leases subsequent to December 31, 2015 are as follows:

2016	\$ 27,055
2017	3,111
2018	519
	<u>\$ 30,685</u>

**NOTE 10 – CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**NOTE 11 – RELATED PARTY TRANSACTIONS**

The Organization has a joint ministry agreement with Alpha Canada whereby the two entities pool resources to more effectively and economically carry on their common activities. The agreement allows Alpha Canada to appoint an *ex officio* member on the Organization's Board of Directors to represent its interest. This representative is also a member of the Joint Committee, created by the joint agreement to manage the joint activity of the Organization and Alpha Canada. The agreement requires that an audit report of the Organization, performed by an independent certified public accountant, be submitted to the Joint Committee annually.

The Organization has an informal revenue sharing agreement with Alpha Canada on Alpha resources sold by the Organization to its Canadian distributor to support ministry development in Canada. The Organization pays a percentage on all such publications sold. Revenue sharing expense was \$2,021 and \$6,933 as a result of this agreement for the years ended December 31, 2015 and 2014, respectively, and is included in cost of publications sold. Licensing fees owed to Alpha Canada were \$1,006, and are included in accounts payable in the accompanying statement of financial position as of December 31, 2015. No licensing fees were owed to Alpha Canada as of December 31, 2014.

**ALPHA USA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2015 AND 2014**

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**NOTE 11 – RELATED PARTY TRANSACTIONS (continued)**

Alpha International is the international licensor to the Organization. The Organization has a licensing agreement with Alpha International for Alpha publications created and copyrighted by Alpha International. The Organization pays 10% of net sales on English and Spanish products and 1% on Portuguese products. Royalty expense was \$72,939 and \$80,263 as a result of this agreement for the years ended December 31, 2015 and 2014, respectively, and is included in cost of publications sold.

Licensing fees owed to Alpha International were \$16,496 as of December 31, 2015, and are included in accounts payable in the accompanying statement of financial position. No licensing fees were owed to Alpha International as of December 31, 2014.

In addition to the licensing agreements described above, the Organization collected \$4,247,825 and \$4,534,250 in contributions for Alpha International and affiliated organizations in 2015 and 2014, respectively, which are accounted for as pass-through revenue and expense items.

In 2014, a board member advanced funds to the Organization for working capital needs. Board member advances of \$25,500 were outstanding as of December 31, 2015 and 2014, respectively. Advances are payable on demand, unsecured, and noninterest bearing.

**NOTE 12 – MAJOR DONORS**

The Organization is dependent upon continued contributions from various board members and other significant donors. Total contributions from board members approximated \$1,498,000 and \$1,451,000 for the years ended December 31, 2015 and 2014, respectively.

**SUPPLEMENTARY INFORMATION**

ALPHA USASCHEDULE OF FUNCTIONAL EXPENSESFOR THE YEAR ENDED DECEMBER 31, 2015

With Summarized Financial Information for the Year Ended December 31, 2014

	Program Services					Support Services		2015 Total	2014 Total
	Publishing and Marketing	Conferences	Regional Leadership Teams	Alpha in Prisons	Other Specialty Ministries	General and Administrative	Fund- Raising		
Payroll	\$ 517,725	\$ 31,501	\$ 1,831,775	\$ 354,522	\$ 709,898	\$ 78,752	\$ 377,303	\$ 3,901,476	\$ 3,472,158
Occupancy	20,518	3,157	78,087	15,783	33,789	7,892	-	159,226	104,198
Telephone	7,071	421	20,891	3,591	7,053	1,053	2,941	43,021	33,619
Office	9,196	477	26,341	6,773	6,928	1,192	643	51,550	67,331
Insurance	923	142	3,477	710	1,490	355	4,459	11,556	11,471
Postage	14,230	131	10,552	1,937	3,116	327	194	30,487	22,178
Professional fees	3,286	506	15,133	2,528	5,308	1,264	9,862	37,887	24,335
Bank charges	910	350	7,413	61	729	874	5,721	16,058	10,370
Credit card fees	27,834	-	9,087	1,694	4,620	-	907	44,142	48,351
Travel and entertainment	53,003	3,999	191,804	43,733	100,057	9,998	148,873	551,467	309,451
Training	9	1	254	7	13,943	4	-	14,218	1,562
Outside services	94,282	6,510	193,148	41,934	90,895	16,274	156,853	599,896	488,176
Printings	13,424	72	12,570	621	2,723	180	1,297	30,887	22,509
Mailings	127	5	142	47	69	12	1,003	1,405	609
Advertising and marketing	16,343	143	42,309	2,200	25,008	358	633	86,994	90,826
Conferences	4,412	588	74,497	11,548	28,861	1,469	2,178	123,553	137,834
Unfulfilled promises to give	1,494	230	5,633	1,150	2,414	575	-	11,496	91,628
Website	11,345	679	18,099	3,397	7,866	1,698	20,492	63,576	56,822
Promotion	26,069	241	44,544	1,736	13,082	603	4,597	90,872	142,768
Other	2,466	200	8,419	1,001	5,607	501	6,151	24,345	28,725
Depreciation and amortization	12,925	450	11,023	2,250	4,725	1,125	-	32,498	34,741
Donations	-	-	1,650	5,000	3,300	-	-	9,950	11,466
Total expenses - 2015	<u>\$ 837,592</u>	<u>\$ 49,803</u>	<u>\$ 2,606,848</u>	<u>\$ 502,223</u>	<u>\$ 1,071,481</u>	<u>\$ 124,506</u>	<u>\$ 744,107</u>	<u>\$ 5,936,560</u>	<u>\$ 5,211,128</u>
Total expenses - 2014	<u>\$ 791,090</u>	<u>\$ 64,241</u>	<u>\$ 2,358,822</u>	<u>\$ 388,245</u>	<u>\$ 897,893</u>	<u>\$ 104,547</u>	<u>\$ 606,290</u>	<u>\$ 5,211,128</u>	

ALPHA USASCHEDULE OF FUNCTIONAL EXPENSESFOR THE YEAR ENDED DECEMBER 31, 2014

With Summarized Financial Information for the Year Ended December 31, 2013

	Program Services					Support Services		2014 Total	2013 Total
	Publishing and Marketing	Conferences	Regional Leadership Teams	Alpha in Prisons	Other Specialty Ministries	General and Administrative	Fund- Raising		
Payroll	\$ 441,422	\$ 44,460	\$ 1,658,129	\$ 273,342	\$ 657,884	\$ 74,100	\$ 322,821	\$ 3,472,158	\$ 3,872,937
Occupancy	13,513	3,118	52,225	8,316	21,829	5,197	-	104,198	98,065
Telephone	2,625	521	18,089	2,411	6,313	868	2,792	33,619	38,341
Office	9,277	754	29,128	11,938	10,043	1,257	4,934	67,331	52,843
Insurance	894	206	3,440	550	1,444	344	4,593	11,471	9,489
Postage	3,691	236	8,673	1,339	3,987	393	3,859	22,178	22,879
Professional fees	3,164	730	12,168	1,947	5,110	1,216	-	24,335	26,699
Bank charges	2,108	280	4,674	747	1,962	467	132	10,370	3,383
Credit card fees	28,487	1,513	8,096	31	3,089	-	7,135	48,351	48,679
Travel and entertainment	19,612	2,129	101,631	20,642	49,226	3,548	112,663	309,451	234,280
Training	8	2	31	5	1,513	3	-	1,562	3,977
Outside services	111,503	7,038	141,069	43,488	70,106	11,730	103,242	488,176	438,777
Printings	4,006	149	13,133	663	3,028	248	1,282	22,509	22,413
Mailings	78	18	310	48	125	30	-	609	1,404
Advertising and marketing	22,076	359	55,488	1,289	9,281	598	1,735	90,826	87,586
Conferences	2,573	594	106,592	4,875	20,948	990	1,262	137,834	129,603
Unfulfilled promises to give	34,767	13	56,606	33	88	21	100	91,628	23,185
Website	7,806	1,015	17,419	2,708	7,633	1,692	18,549	56,822	71,008
Promotion	67,280	85	50,890	285	11,762	142	12,324	142,768	229,100
Other	2,854	249	8,160	6,529	5,650	416	4,867	28,725	26,322
Depreciation and amortization	13,216	742	12,371	1,979	5,196	1,237	-	34,741	31,234
Donations	130	30	500	5,080	1,676	50	4,000	11,466	968
Total expenses - 2014	<u>\$ 791,090</u>	<u>\$ 64,241</u>	<u>\$ 2,358,822</u>	<u>\$ 388,245</u>	<u>\$ 897,893</u>	<u>\$ 104,547</u>	<u>\$ 606,290</u>	<u>\$ 5,211,128</u>	<u>\$ 5,473,172</u>
Total expenses - 2013	<u>\$ 829,483</u>	<u>\$ 75,096</u>	<u>\$ 2,633,698</u>	<u>\$ 362,289</u>	<u>\$ 1,069,013</u>	<u>\$ 121,550</u>	<u>\$ 382,043</u>	<u>\$ 5,473,172</u>	