

**NURU INTERNATIONAL  
REPORT ON THE AUDIT  
OF THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2014 AND 2013**

**NURU INTERNATIONAL**  
**TABLE OF CONTENTS**

	<b>Page</b>
Independent Auditors' Report	2 - 3
Statements of Financial Position	4
Statement of Activities	
For the Year Ended December 31, 2014	5
For the Year Ended December 31, 2013	6
Statements of Cash Flows	7 - 8
Notes to the Financial Statements	9 - 16
Supplementary Information	
Schedule of Functional Expenses	
For the Year Ended December 31, 2014	17
For the Year Ended December 31, 2013	18



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
NURU International

We have audited the accompanying financial statements of NURU International (a California not-for-profit corporation), which comprise the statements of financial position as of December 31, 2014 and 2013, 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.

### Auditors' 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 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 auditors' 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 opinions.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NURU International as of December 31, 2014 and 2013, 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.

## Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 17 - 18 are presented for purposes of additional analysis and are 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.

*Knuttle & Associates, P.C.*

**NURU INTERNATIONAL  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013**

**ASSETS**

	<b>2014</b>	<b>2013</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 558,764	\$ 1,862,662
Investments	156,825	5,233
Grants Receivable (Net of Allowance for Doubtful Accounts of \$0, Respectively)	1,678,202	225,000
Accounts Receivable (Net of Allowance for Doubtful Accounts of \$0, Respectively)	600	0
Prepaid Expenses	44,792	30,747
<b>TOTAL CURRENT ASSETS</b>	<b>2,439,183</b>	<b>2,123,642</b>
<b>FIXED ASSETS</b>		
Furniture and Equipment	90,648	85,029
Less – Accumulated Depreciation	68,865	58,834
<b>TOTAL FIXED ASSETS</b>	<b>21,783</b>	<b>26,195</b>
<b>OTHER ASSETS</b>		
Long Term Grants Receivable (Net of Allowance for Doubtful Accounts of \$0, Respectively)	1,358,602	2,955,381
<b>TOTAL OTHER ASSETS</b>	<b>1,358,602</b>	<b>2,955,381</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,819,568</b>	<b>\$ 5,105,218</b>

**LIABILITIES AND NET ASSETS**

	<b>2014</b>	<b>2013</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 27,619	\$ 78,453
Accrued Liabilities	153,073	74,504
<b>TOTAL CURRENT LIABILITIES</b>	<u>180,692</u>	<u>152,957</u>
<b>TOTAL LIABILITIES</b>	<u>180,692</u>	<u>152,957</u>
<b>NET ASSETS</b>		
Unrestricted	683,495	118,119
Temporarily Restricted	2,955,381	4,834,142
<b>TOTAL NET ASSETS</b>	<u>3,638,876</u>	<u>4,952,261</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u>\$ 3,819,568</u>	 <u>\$ 5,105,218</u>

See Accompanying Notes To The Financial Statements.

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

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
<b>PUBLIC SUPPORT, REVENUES AND GAINS</b>				
Grants and Donations	\$ 4,031,365	\$ 0	\$ 0	\$ 4,031,365
In-Kind Donations	672,003	0	0	672,003
Realized Gain on Investments	70,052	0	0	70,052
Interest Income	862	0	0	862
Unrealized Gain on Investments	860	0	0	860
Gain on Disposition of Fixed Assets	543	0	0	543
Net Assets Released from Restrictions	1,878,761	(1,878,761)	0	0
<b>TOTAL PUBLIC SUPPORT, REVENUES AND GAINS</b>	<u>6,654,446</u>	<u>(1,878,761)</u>	<u>0</u>	<u>4,775,685</u>
<b>FUNCTIONAL EXPENSES</b>				
Program Services				
International Development	4,859,004	0	0	4,859,004
International Awareness	395,629	0	0	395,629
Total Program Services	5,254,633	0	0	5,254,633
Management and General	572,049	0	0	572,049
Fundraising	262,388	0	0	262,388
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>6,089,070</u>	<u>0</u>	<u>0</u>	<u>6,089,070</u>
<b>CHANGE IN NET ASSETS</b>	565,376	(1,878,761)	0	(1,313,385)
<b>NET ASSETS,</b>				
<b>BEGINNING OF YEAR</b>	<u>118,119</u>	<u>4,834,142</u>	<u>0</u>	<u>4,952,261</u>
<b>END OF YEAR</b>	<u>\$ 683,495</u>	<u>\$ 2,955,381</u>	<u>\$ 0</u>	<u>\$ 3,638,876</u>

See Accompanying Notes To The Financial Statements.

**NURU INTERNATIONAL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
<b>PUBLIC SUPPORT, REVENUES AND GAINS</b>				
Grants and Donations	\$ 3,144,715	\$ 4,672,456	\$ 0	\$ 7,817,171
In-Kind Donations	528,522	0	0	528,522
Realized Gain on Investments	24,460	0	0	24,460
Interest Income	320	0	0	320
Unrealized Gain on Investments	36	0	0	36
Net Assets Released from Restrictions	250,000	(250,000)	0	0
<b>TOTAL PUBLIC SUPPORT, REVENUES AND GAINS</b>	<u>3,948,053</u>	<u>4,422,456</u>	<u>0</u>	<u>8,370,509</u>
<b>EXPENSES AND LOSSES</b>				
Functional Expenses				
Program Services				
International Development	3,319,736	0	0	3,319,736
International Awareness	412,493	0	0	412,493
Total Program Services	<u>3,732,229</u>	<u>0</u>	<u>0</u>	<u>3,732,229</u>
Management and General	664,273	0	0	664,273
Fundraising	336,959	0	0	336,959
Total Functional Expenses	<u>4,733,461</u>	<u>0</u>	<u>0</u>	<u>4,733,461</u>
Loss on Disposition of Fixed Assets	1,038	0	0	1,038
<b>TOTAL EXPENSES AND LOSSES</b>	<u>4,734,499</u>	<u>0</u>	<u>0</u>	<u>4,734,499</u>
<b>CHANGE IN NET ASSETS</b>	(786,446)	4,422,456	0	3,636,010
<b>NET ASSETS,</b>				
<b>BEGINNING OF YEAR</b>	<u>904,565</u>	<u>411,686</u>	<u>0</u>	<u>1,316,251</u>
<b>END OF YEAR</b>	<u>\$ 118,119</u>	<u>\$ 4,834,142</u>	<u>\$ 0</u>	<u>\$ 4,952,261</u>

See Accompanying Notes To The Financial Statements.



**NURU INTERNATIONAL  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from Supporters and Other Sources	\$ 4,174,342	\$ 5,048,476
Interest Received	862	320
Paid to Suppliers and Employees	(6,052,648)	(4,620,958)
Interest Paid	0	0
Income Taxes Paid	0	0
	<hr/>	<hr/>
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>(1,877,444)</b>	<b>427,838</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for the Purchase of Fixed Assets	(16,266)	(11,402)
Proceeds from the Disposal of Fixed Assets	3,685	1,450
Proceeds from Sale of Investments	586,127	707,008
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>573,546</b>	<b>697,056</b>
	<hr/>	<hr/>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,303,898)</b>	<b>1,124,894</b>
<b>CASH AND CASH EQUIVALENTS,</b>		
<b>BEGINNING OF YEAR</b>	<u>1,862,662</u>	<u>737,768</u>
<b>END OF YEAR</b>	<u>\$ 558,764</u>	<u>\$ 1,862,662</u>
	<hr/>	<hr/>
<b>NON-CASH OPERATING ACTIVITIES</b>		
Donated Services	\$ 396	\$ 9,135
Donated Space	4,800	8,400
	<hr/>	<hr/>
<b>TOTAL NON-CASH OPERATING ACTIVITIES</b>	<u>\$ 5,196</u>	<u>\$ 17,535</u>
	<hr/>	<hr/>
<b>NON-CASH INVESTING ACTIVITIES</b>		
Donated Investments	\$ 666,807	\$ 510,987
	<hr/>	<hr/>
<b>TOTAL NON-CASH INVESTING ACTIVITIES</b>	<u>\$ 666,807</u>	<u>\$ 510,987</u>
	<hr/>	<hr/>

See Accompanying Notes To The Financial Statements.

**NURU INTERNATIONAL  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	<u>\$ (1,313,385)</u>	<u>\$ 3,636,010</u>
Adjustments to Reconcile Change in Net Assets to Net Cash (Used In) Provided By Operating Activities:		
Donated Investments	(666,807)	(510,987)
Unrealized Gain on Investments	(860)	(36)
Realized Gain on Investments	(70,052)	(24,460)
(Gain) Loss on Disposal of Fixed Assets	(543)	1,038
Depreciation	17,536	19,587
Changes in Certain Assets and Liabilities:		
Grants Receivable	143,577	(2,768,695)
Accounts Receivable	(600)	0
Prepaid Expenses	(14,045)	16,085
Prepaid Supplies	0	5,150
Accounts Payable	(50,834)	65,834
Accrued Liabilities	78,569	(11,688)
Total Adjustments	<u>(564,059)</u>	<u>(3,208,172)</u>
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ (1,877,444)</u></u>	<u><u>\$ 427,838</u></u>

See Accompanying Notes To The Financial Statements.

**NURU INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

A) Organization and Nature of Activities

NURU International (the "Organization") is a California not-for-profit organization that was incorporated in October 2007. The mission of the Organization is to end extreme poverty in remote rural areas. The Organization is committed to restoring hope and meaning to the lives of the poor and the oppressed by creating sustainable, measurable solutions that result in significant lasting changes in the most impoverished rural communities. The following is a summary of the Organization's programs services:

*International Development* - Focuses on addressing four basic needs in the areas of agriculture, financial inclusion, healthcare, and education for rural populations living in extreme poverty. The Organization offers development programs in Kenya and Ethiopia.

*International Awareness* - Provides events and presentations throughout the country and publishes videos and educational information through social media. This program builds empathy for the poor by showing glimpses of what those living in extreme poverty experience: Chronic hunger, sickness and disease, illiteracy, high child mortality rates, contaminated water, and lack of access to resources.

B) Method of Accounting

The Organization's accounts are maintained on the accrual basis of accounting. Grants and other contributions are reported as temporarily restricted support if they are received with stipulations that limit the use of the funding. When the 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 statement of activities as net assets released from restrictions. Expenses are recorded when incurred.

The Organization reports 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 permitted by the statement, the Organization does not use fund accounting.

**NURU INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

C) Accounting Policies

Cash and Cash Equivalents - For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. As of December 31, 2014 and 2013, the Organization's reconciled cash balance amounts to \$558,764 and \$1,862,662, respectively. Of the \$1,862,662 December 31, 2013 reconciled balance, \$1,653,761 relates to 2014 fiscal year restricted grant monies received in advance during December, 2013, hence the restricted grant monies may not be expended on general operations.

Investments - Investments with an original maturity of three months or less are considered short-term for purposes of reporting cash flows. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Unrealized and realized gains and losses are included in the change in net assets.

Grants Receivable - When a donor has unconditionally promised to contribute funds in future periods, the Organization recognizes the fair value of the grant receivable. Grants expected to be collected within one year are recorded as a donation and a receivable at net realizable value, which approximates fair value. Grants expected to be collected in future years are recorded as a donation and a receivable at the present value of the expected future cash flows. Additionally, grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. The allowance for doubtful accounts at December 31, 2014 and 2013 is \$0, respectively.

Fixed Assets - Property and equipment are recorded at cost when purchased, while donated fixed assets are recorded at their estimated fair value on the date of donation. Expenditures for repairs and maintenance are charged to expense as incurred, whereas renewals and betterments that extend the lives of fixed assets are capitalized. Depreciation is computed on the straight-line method over various useful lives. Depreciation expense for the years ended December 31, 2014 and 2013 is \$17,536 and \$19,587, respectively.

**NURU INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C) Accounting Policies (Continued)

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements. The Organization has no unrelated business income during the years ended December 31, 2014 and 2013.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CONCENTRATION OF CREDIT RISK**

The Organization has deposits at one financial institution in excess of federally insured limits of approximately \$110,000 and \$1,560,000 at December 31, 2014 and 2013, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

**NOTE 3 - INVESTMENTS**

At December 31, 2014 and 2013, investments are stated at fair value and consist of corporate stocks, as follows:

*December 31, 2014:*

	Balance at December 31, 2014	Quoted Prices in Active Markets (Level 1)
Corporate Stocks	\$ 156,825	\$ 156,825
	<u>\$ 156,825</u>	<u>\$ 156,825</u>

**NURU INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 3 - INVESTMENTS (CONTINUED)**

*December 31, 2013:*

	Balance at December 31, 2013	Quoted Prices in Active Markets (Level 1)
Corporate Stocks	\$ 5,233	\$ 5,233
	<u>\$ 5,233</u>	<u>\$ 5,233</u>

Generally accepted accounting principles provide the definition of fair value for financial reporting, establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and require disclosure about the use of fair value measurements. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were used.

Level 1 Fair Value Measurements - The fair value of corporate stocks is based on unadjusted quoted prices for identical assets in active markets.

The following schedule summarizes the investment return and its classification in the statements of activities:

*December 31, 2014:*

	Unrestricted	Temporarily Restricted	Total
Interest Income	\$ 862	\$ 0	\$ 862
Realized Gain on Investments	70,052	0	70,052
Unrealized Gain on Investments	860	0	860
	<u>\$ 71,774_</u>	<u>\$ 0</u>	<u>\$ 71,774_</u>

*December 31, 2013:*

	Unrestricted	Temporarily Restricted	Total
Interest Income	\$ 320	\$ 0	\$ 320
Realized Gain on Investments	24,460	0	24,460
Unrealized Loss on Investments	36	0	36
	<u>\$ 24,816</u>	<u>\$ 0</u>	<u>\$ 24,816</u>

**NURU INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 4 - GRANTS RECEIVABLE**

During the years ended December 31, 2014 and 2013, grantors to the Organization have made unconditional promises to give totaling \$3,093,412 and \$3,351,745, respectively. Grants due in more than one year have been recorded at the present value of the estimated cash flows using a discount rate of 4%. Grants are due as follows at December 31, 2014 and 2013:

	<b>2014</b>	<b>2013</b>
Less than One Year	\$ 1,678,202	\$ 225,000
One to Three Years	1,415,210	3,126,745
Total	<u>3,093,412</u>	<u>3,351,745</u>
Less - Allowance to Discount Balance to Present Value	<u>(56,608)</u>	<u>(171,364)</u>
Grants Receivable	<u><u>\$ 3,036,804</u></u>	<u><u>\$ 3,180,381</u></u>

**NOTE 5 - IN-KIND DONATIONS**

Donated Services - Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. For the years ended December 31, 2014 and 2013, donated professional services amount to \$396 and \$9,135, respectively. These amounts are included within in-kind donations revenue on the statements of activities and also allocated between the categories of functional expenses on the schedules of functional expenses.

For the years ended December 31, 2014 and 2013, respectively, the Organization also received a significant amount of donated services from volunteers who assist with the operations. No amounts have been recognized in the accompanying statements of activities for these volunteer services because the criteria for recognition of such volunteer effort have not been satisfied.

Donated Space - The Organization occupies free of charge office space in West Virginia. Accordingly, donated space has been recorded at an estimated fair value of \$4,800 and \$8,400 for the years ended December 31, 2014 and 2013, respectively. These amounts are included within in-kind donations revenue on the statements of activities and also allocated between the categories of functional expenses on the schedules of functional expenses.

**NURU INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 5 - IN-KIND DONATIONS (CONTINUED)**

Donated Investments and Goods - Donated investments and goods are recorded at their estimated fair value on the date of donation and included within in-kind donations revenue on the statements of activities. During the years ended December 31, 2014 and 2013, the Organization received donated goods valued at \$0, respectively. Additionally, during the years ended December 31, 2014 and 2013, the Organization received shares of corporate stocks valued at \$666,807 and \$510,987, respectively. The Organization's policy is to sell any donated securities soon after their receipt. Donated shares that were sold during the years ended December 31, 2014 and 2013 realized a net gain on the sales of \$70,052 and \$24,460, respectively. A portion of the donated stock amounting to \$156,825 and \$5,233 remains with the Organization as of December 31, 2014 and 2013, respectively.

**NOTE 6 - NET ASSET RESTRICTIONS**

Net assets are temporarily restricted for the following years at December 31:

Time Restriction	<b>2014</b>	<b>2013</b>
For use in the year ended December 31, 2014	\$ 0	\$ 1,878,761
	2015	1,677,759
	2016	1,277,622
Total Temporarily Restricted Net Assets	<u>\$ 2,955,381</u>	<u>\$ 4,834,142</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors during the years ended December 31, 2014 and 2013, respectively:

Time or Purpose Restrictions Accomplished:	<b>2014</b>	<b>2013</b>
Support for 2014	\$ 1,878,761	\$ 0
Support for 2013	0	250,000
Total Time or Purpose Restrictions Released	<u>\$ 1,878,761</u>	<u>\$ 250,000</u>



**NURU INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 7 - RELATED PARTY TRANSACTIONS**

In October 2008, Nuru International Self Help Group was established as a separate not-for-profit organization registered in the Republic of Kenya, which conducts agricultural, health care, educational, and economic development projects in rural areas of that country. In August of 2012, an additional Self Help site was put into operation in Ethiopia. Nuru International Self Help Group was established with the intent of becoming a self-sustaining organization through revenues derived from its programs. Until such financial independence is achieved, Nuru International has assumed responsibility for financing Nuru International Self Help Group as needed via periodic grants. For the years ended December 31, 2014 and 2013, the Organization was the primary grantor, shared resources, and collaborated on projects with Nuru International Self Help Group. The organizations also share a common chief executive officer. For the years ended December 31, 2014 and 2013, the Organization contributed directly, or incurred expenses on behalf of Nuru International Self Help Group Kenya totaling \$2,035,278 and \$1,505,098, respectively. Additionally, the Organization contributed directly, or incurred expenses on behalf of Nuru International Self Help Group Ethiopia totaling \$642,275 and \$234,738 for the years ended December 31, 2014 and 2013, respectively.

**NOTE 8 - PENSION PLAN**

The Organization maintains a defined contribution 401(k) plan. The Organization has made no employer matching contributions to the plan for the years ended December 31, 2014 and 2013, respectively.

**NOTE 9 - ACCOUNTING FOR UNCERTAIN TAX POSITIONS**

The Organization files its tax returns with the U.S. federal and various state and local tax jurisdictions. With few exceptions, the Organization is no longer subject to examinations by major tax jurisdictions for the tax years 2011 and prior. The Organization had no income tax expense for the years ended December 31, 2014 and 2013.

The Organization includes accrued interest and penalties related to unrecognized tax benefits in functional expenses. The expense for interest and penalties related to unrecognized tax benefits amounts to \$0 for the years ended December 31, 2014 and 2013, respectively.

**NURU INTERNATIONAL  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 10 - SUBSEQUENT EVENTS**

The date to which events occurring after December 31, 2014, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is February 20, 2015, which is the date on which the financial statements were available to be issued.

**NURU INTERNATIONAL  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<b>PROGRAM SERVICES</b>						
	<b>International Development</b>	<b>Awareness</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
<b>FUNCTIONAL EXPENSES</b>						
Accounting	\$ 0	\$ 0	\$ 0	\$ 9,250	\$ 0	\$ 9,250
Books, Subscriptions and References	451	0	451	118	2,290	2,859
Contractual Services	51,287	260,550	311,837	68,983	52,286	433,106
Depreciation	12,192	0	12,192	2,740	2,604	17,536
Equipment Rental and Maintenance	394	0	394	0	0	394
Health Insurance	156,006	0	156,006	32,279	24,592	212,877
Information Technology	22,838	0	22,838	24,136	9,253	56,227
Insurance	25,670	0	25,670	5,134	3,080	33,884
Legal	9,280	0	9,280	600	0	9,880
Licenses and Fees	6,486	0	6,486	58,202	4,975	69,663
Nuru International Self Help Group Support	2,677,553	0	2,677,553	0	0	2,677,553
Payroll Taxes	121,616	0	121,616	28,414	19,414	169,444
Postage	1,560	0	1,560	3,122	324	5,006
Printing and Copying	35	0	35	87	5,292	5,414
Rent	0	0	0	0	4,800	4,800
Salaries	1,566,762	135,079	1,701,841	304,575	115,979	2,122,395
Supplies	1,559	0	1,559	417	165	2,141
Telecommunications	18,107	0	18,107	5,046	3,930	27,083
Training and Development	3,984	0	3,984	3,122	178	7,284
Travel and Meetings	183,224	0	183,224	25,824	13,226	222,274
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 4,859,004</b>	<b>\$ 395,629</b>	<b>\$ 5,254,633</b>	<b>\$ 572,049</b>	<b>\$ 262,388</b>	<b>\$ 6,089,070</b>

**NURU INTERNATIONAL  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>PROGRAM SERVICES</b>						
	<b>International Development</b>	<b>Awareness</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
<b>FUNCTIONAL EXPENSES</b>						
Accounting	\$ 0	\$ 0	\$ 0	\$ 9,000	\$ 0	\$ 9,000
Books, Subscriptions and References	139	0	139	1,121	4,120	5,380
Contractual Services	171,302	120,960	292,262	51,126	40,135	383,523
Depreciation	10,089	0	10,089	4,036	5,462	19,587
Equipment Rental and Maintenance	1,298	0	1,298	24	163	1,485
Health Insurance	101,835	0	101,835	46,720	42,345	190,900
Information Technology	14,180	0	14,180	21,872	16,271	52,323
Insurance	17,656	0	17,656	3,232	6,906	27,794
Legal	0	0	0	9,285	0	9,285
Licenses and Fees	1,675	0	1,675	8,214	13,827	23,716
Nuru International Self Help Group Support	1,739,836	0	1,739,836	0	0	1,739,836
Payroll Taxes	76,757	0	76,757	33,576	32,791	143,124
Postage	1,600	0	1,600	3,256	1,046	5,902
Printing and Copying	195	0	195	60	13,105	13,360
Recruiting	295	0	295	5,294	0	5,589
Rent	0	0	0	0	8,400	8,400
Salaries	960,303	291,533	1,251,836	415,671	122,252	1,789,759
Supplies	1,717	0	1,717	1,834	5,197	8,748
Telecommunications	12,126	0	12,126	9,289	5,816	27,231
Training and Development	585	0	585	3,238	613	4,436
Travel and Meetings	208,148	0	208,148	37,425	18,510	264,083
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 3,319,736</b>	<b>\$ 412,493</b>	<b>\$ 3,732,229</b>	<b>\$ 664,273</b>	<b>\$ 336,959</b>	<b>\$ 4,733,461</b>