

Form **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2014**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.  
Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**A** For the **2014** calendar year, or tax year beginning and ending

|  |  |   |  |
|--|--|---|--|
| <b>B</b> Check if applicable:<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Final return/terminated<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | <b>C</b> Name of organization<br><b>RESOURCE, INC.</b>                     |   | <b>D</b> Employer identification number<br><b>41-0828779</b>   |
|  | Doing business as  |   | <b>E</b> Telephone number<br><b>612-752-8000</b>   |
|  | Number and street (or P.O. box if mail is not delivered to street address) | Room/suite  | <b>G</b> Gross receipts \$ <b>26,679,393.</b>  |
|  | 1900 CHICAGO AVENUE SOUTH  |   | <b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| City or town, state or province, country, and ZIP or foreign postal code<br><b>MINNEAPOLIS, MN 55404</b>   |  | <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No | If "No," attach a list. (see instructions)   |
| <b>F</b> Name and address of principal officer: <b>KELLY MATTER</b><br><b>SAME AS C ABOVE</b>  |  | <b>H(c)</b> Group exemption number ▶  |  |
| <b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527   |  |   |  |
| <b>J</b> Website: ▶ <b>WWW.RESOURCE-MN.ORG</b>   |  |   |  |
| <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶  |  |   | <b>L</b> Year of formation: <b>1956</b> <b>M</b> State of legal domicile: <b>MN</b>                                      |

**Part I Summary**

|   |  |
|---|--|
| Activities & Governance   | <b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO EMPOWER PEOPLE TO ACHIEVE GREATER PERSONAL, SOCIAL, AND ECONOMIC SUCCESS.</b> |
|   | <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.                         |
|   | <b>3</b> Number of voting members of the governing body (Part VI, line 1a) ..... <b>3</b> <b>14</b>  |
|   | <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) ..... <b>4</b> <b>14</b>  |
|   | <b>5</b> Total number of individuals employed in calendar year 2014 (Part V, line 2a) ..... <b>5</b> <b>557</b>  |
|   | <b>6</b> Total number of volunteers (estimate if necessary) ..... <b>6</b> <b>1498</b>   |
|   | <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 ..... <b>7a</b> <b>0.</b>   |
| <b>b</b> Net unrelated business taxable income from Form 990-T, line 34 ..... <b>7b</b> <b>0.</b>     |  |
| Revenue   | <b>8</b> Contributions and grants (Part VIII, line 1h) ..... <b>Prior Year</b> <b>18,185,275.</b> <b>Current Year</b> <b>18,022,468.</b>                                 |
|   | <b>9</b> Program service revenue (Part VIII, line 2g) ..... <b>7,740,522.</b> <b>8,608,810.</b>  |
|   | <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) ..... <b>11,036.</b> <b>8,001.</b>   |
|   | <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) ..... <b>32,009.</b> <b>40,114.</b>   |
|   | <b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) ..... <b>25,968,842.</b> <b>26,679,393.</b>                                 |
| Expenses  | <b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) ..... <b>3,191,758.</b> <b>3,052,948.</b>   |
|   | <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) ..... <b>0.</b> <b>0.</b>  |
|   | <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) ..... <b>16,704,525.</b> <b>17,049,300.</b>                                  |
|   | <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) ..... <b>0.</b> <b>0.</b>   |
|   | <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>240,710.</b>   |
|   | <b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) ..... <b>5,783,886.</b> <b>7,407,588.</b>   |
|   | <b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) ..... <b>25,680,169.</b> <b>27,509,836.</b>  |
| <b>19</b> Revenue less expenses. Subtract line 18 from line 12 ..... <b>288,673.</b> <b>-830,443.</b> |  |
| Net Assets or Fund Balances   | <b>20</b> Total assets (Part X, line 16) ..... <b>Beginning of Current Year</b> <b>11,637,777.</b> <b>End of Year</b> <b>11,257,988.</b>                                 |
|   | <b>21</b> Total liabilities (Part X, line 26) ..... <b>7,042,947.</b> <b>6,976,874.</b>  |
|   | <b>22</b> Net assets or fund balances. Subtract line 21 from line 20 ..... <b>4,594,830.</b> <b>4,281,114.</b>   |

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

|                               |  |   |   |   |                          |
|-------------------------------|--|---|---|---|--------------------------|
| Sign Here                     | Signature of officer<br><i>Kelly Matter</i>                              | Date<br><b>11/16/2015</b>                     |   |   |                          |
|                               | <b>KELLY MATTER, PRESIDENT &amp; CEO</b><br>Type or print name and title |   |   |   |                          |
| Paid Preparer Use Only        | Print/Type preparer's name<br><b>AMY HENDLEY</b>                         | Preparer's signature<br><i>Amy V. Hendley</i> | Date<br><b>11/10/15</b>   | Check <input type="checkbox"/> if self-employed | PTIN<br><b>P01300654</b> |
|                               | Firm's name ▶ <b>CLIFTONLARSONALLEN LLP</b>                              | Firm's EIN ▶ <b>41-0746749</b>                | Firm's address ▶ <b>220 SOUTH SIXTH STREET, SUITE 300<br/>MINNEAPOLIS, MN 55402</b> |   |                          |
| Phone no. <b>612-376-4500</b> |  |   |   |   |                          |

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:

RESOURCE, INC'S MISSION IS TO EMPOWER PEOPLE TO ACHIEVE GREATER PERSONAL, SOCIAL AND ECONOMIC SUCCESS. PROGRAMS AND SERVICES ARE DELIVERED THROUGH AN UNWAVERING COMMITMENT TO UNDOING RACISM AND PROMOTING DIVERSITY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 13,368,362. including grants of \$ 1,597,153.) (Revenue \$ 2,980,339.)

INTEGRATED CHEMICAL & MENTAL HEALTH SERVICES:

RESOURCE'S CHEMICAL AND MENTAL HEALTH TEAM PROVIDES COMMUNITY-BASED CHEMICAL HEALTH SERVICES TO ABOUT 5,400 PEOPLE EACH YEAR; MANY ARE HOMELESS OR PRECARIOUSLY HOUSED. WE SPECIALIZE IN CLINICAL TREATMENT, RECOVERY MAINTENANCE, AND SUPPORTIVE SERVICES FOR ADULT MEN AND WOMEN, AS WELL AS FAMILY SERVICES FOR THE CHILDREN OF PARTICIPANTS. CUSTOMIZED SERVICES INCLUDE FAMILY RECOVERY HOUSING AND A CONTINUUM OF CARE TO HELP HOUSEHOLDS TO REMAIN TOGETHER AND RECOVER AS A FAMILY.

4b (Code: ) (Expenses \$ 9,449,365. including grants of \$ 1,432,291.) (Revenue \$ 4,892,766.)

EMPLOYMENT SERVICES:

RESOURCE PROVIDES COMPREHENSIVE JOB SEARCH AND PLACEMENT SERVICES TO ADULTS WHO ARE LOW-INCOME, LAID-OFF WORKERS, VETERANS, YOUTH AT-RISK, TEEN PARENTS, WELFARE RECIPIENTS, AND NEW AMERICANS. LAST YEAR, WE PROVIDED SERVICES TO MORE THAN 12,000 PEOPLE WITH SIGNIFICANT BARRIERS TO EMPLOYMENT. IN ADDITION, WE HELP NEARLY 3,000 INDIVIDUALS MOVE OFF OF WELFARE AND INTO WORK.

4c (Code: ) (Expenses \$ 1,644,710. including grants of \$ 23,504.) (Revenue \$ 735,705.)

CAREER EDUCATION:

CAREER EDUCATION SERVICES HELP IMMIGRANTS AND REFUGEES, INDIVIDUALS WITH DISABILITIES, AND THOSE WITH BARRIERS TO EMPLOYMENT DISCOVER CAPABILITIES THROUGH A BROAD RANGE OF ASSESSMENT AND SHORT-TERM, CONTEXTUALIZED, INDUSTRY APPROVED POST-SECONDARY CAREER-BASED TRAINING. RESOURCE IS LICENSED AS A POST-SECONDARY SCHOOL THROUGH THE MINNESOTA OFFICE OF HIGHER EDUCATION, AND IS A CANDIDATE FOR ACCREDITATION THROUGH THE COUNCIL ON OCCUPATIONAL EDUCATION.

CONTINUED ON SCHEDULE O.

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 24,462,437.

**Part IV Checklist of Required Schedules**

|  | Yes                                 | No                                  |
|--|-------------------------------------|-------------------------------------|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?<br><i>If "Yes," complete Schedule A</i> .....  | <input checked="" type="checkbox"/> |                                     |
| 2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....   | <input checked="" type="checkbox"/> |                                     |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....  |                                     | <input checked="" type="checkbox"/> |
| 4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....   |                                     | <input checked="" type="checkbox"/> |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....   |                                     | <input checked="" type="checkbox"/> |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....  |                                     | <input checked="" type="checkbox"/> |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....  |                                     | <input checked="" type="checkbox"/> |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....   |                                     | <input checked="" type="checkbox"/> |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....            |                                     | <input checked="" type="checkbox"/> |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....   | <input checked="" type="checkbox"/> |                                     |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.   |                                     |                                     |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....   | <input checked="" type="checkbox"/> |                                     |
| b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....   |                                     | <input checked="" type="checkbox"/> |
| c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....   |                                     | <input checked="" type="checkbox"/> |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....  |                                     | <input checked="" type="checkbox"/> |
| e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....   | <input checked="" type="checkbox"/> |                                     |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....  | <input checked="" type="checkbox"/> |                                     |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....  |                                     | <input checked="" type="checkbox"/> |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....   | <input checked="" type="checkbox"/> |                                     |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....  |                                     | <input checked="" type="checkbox"/> |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? .....  |                                     | <input checked="" type="checkbox"/> |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> ..... |                                     | <input checked="" type="checkbox"/> |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....   |                                     | <input checked="" type="checkbox"/> |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....   |                                     | <input checked="" type="checkbox"/> |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....   |                                     | <input checked="" type="checkbox"/> |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....   |                                     | <input checked="" type="checkbox"/> |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....   |                                     | <input checked="" type="checkbox"/> |
| 20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....   |                                     | <input checked="" type="checkbox"/> |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....   |                                     |                                     |

**Part IV Checklist of Required Schedules** (continued)

|   | Yes | No |
|---|-----|----|
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....   |     | X  |
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....   | X   |    |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....  | X   |    |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....                           | X   |    |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....   |     | X  |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....  |     | X  |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....   |     | X  |
| 25a <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....  |     | X  |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....  |     | X  |
| 26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....                                 |     | X  |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> ..... |     | X  |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):  |     |    |
| a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....  |     | X  |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....   |     | X  |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....   |     | X  |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....  |     | X  |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....  |     | X  |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....  |     | X  |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....  |     | X  |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....  |     | X  |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....  | X   |    |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....   | X   |    |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....  | X   |    |
| 36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....   |     | X  |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....   |     | X  |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....  | X   |    |

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

|     |  | Yes        | No |
|-----|--|------------|----|
| 1a  | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable   |            |    |
|     | <b>1a</b> 373  |            |    |
| b   | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable  |            |    |
|     | <b>1b</b> 0  |            |    |
| c   | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?   |            |    |
|     | <b>1c</b>  |            |    |
| 2a  | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return  |            |    |
|     | <b>2a</b> 557  |            |    |
| b   | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)         | X          |    |
|     | <b>2b</b>  |            |    |
| 3a  | Did the organization have unrelated business gross income of \$1,000 or more during the year?  |            | X  |
|     | <b>3a</b>  |            |    |
| b   | If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O   |            |    |
|     | <b>3b</b>  |            |    |
| 4a  | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? |            | X  |
|     | <b>4a</b>  |            |    |
| b   | If "Yes," enter the name of the foreign country:<br>See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).  |            |    |
|     | <b>5a</b>  |            | X  |
| 5a  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  |            | X  |
|     | <b>5a</b>  |            |    |
| b   | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?   |            | X  |
|     | <b>5b</b>  |            |    |
| c   | If "Yes," to line 5a or 5b, did the organization file Form 8886-T?   |            |    |
|     | <b>5c</b>  |            |    |
| 6a  | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?                                    |            | X  |
|     | <b>6a</b>  |            |    |
| b   | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  |            |    |
|     | <b>6b</b>  |            |    |
| 7   | <b>Organizations that may receive deductible contributions under section 170(c).</b>   |            |    |
| a   | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?  |            | X  |
|     | <b>7a</b>  |            |    |
| b   | If "Yes," did the organization notify the donor of the value of the goods or services provided?  |            |    |
|     | <b>7b</b>  |            |    |
| c   | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?   |            | X  |
|     | <b>7c</b>  |            |    |
| d   | If "Yes," indicate the number of Forms 8282 filed during the year  |            |    |
|     | <b>7d</b>  |            |    |
| e   | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  |            | X  |
|     | <b>7e</b>  |            |    |
| f   | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   |            | X  |
|     | <b>7f</b>  |            |    |
| g   | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?   |            |    |
|     | <b>7g</b>  |            |    |
| h   | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?   |            |    |
|     | <b>7h</b>  |            |    |
| 8   | <b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?   |            |    |
|     | <b>8</b>   |            |    |
| 9   | <b>Sponsoring organizations maintaining donor advised funds.</b>   |            |    |
| a   | Did the sponsoring organization make any taxable distributions under section 4966?   |            |    |
|     | <b>9a</b>  |            |    |
| b   | Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?  |            |    |
|     | <b>9b</b>  |            |    |
| 10  | <b>Section 501(c)(7) organizations.</b> Enter:   |            |    |
| a   | Initiation fees and capital contributions included on Part VIII, line 12   | <b>10a</b> |    |
| b   | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities  | <b>10b</b> |    |
| 11  | <b>Section 501(c)(12) organizations.</b> Enter:  |            |    |
| a   | Gross income from members or shareholders  | <b>11a</b> |    |
| b   | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)   | <b>11b</b> |    |
| 12a | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?  | <b>12a</b> |    |
| b   | If "Yes," enter the amount of tax-exempt interest received or accrued during the year  | <b>12b</b> |    |
| 13  | <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>  |            |    |
| a   | Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> See the instructions for additional information the organization must report on Schedule O.   | <b>13a</b> |    |
| b   | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans  | <b>13b</b> |    |
| c   | Enter the amount of reserves on hand   | <b>13c</b> |    |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year?   | <b>14a</b> | X  |
| b   | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O  | <b>14b</b> |    |

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

|   | 1a | 1b | 2 | 3 | 4 | 5 | 6 | 7a | 7b | 8a | 8b | 9 | Yes | No |
|---|----|----|---|---|---|---|---|----|----|----|----|---|-----|----|
| 1a  | 14 |    |   |   |   |   |   |    |    |    |    |   |     |    |
| If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. |    |    |   |   |   |   |   |    |    |    |    |   |     |    |
| b   | 14 |    |   |   |   |   |   |    |    |    |    |   |     |    |
| 2   |    |    |   |   |   |   |   |    |    |    |    |   |     | X  |
| 3   |    |    |   |   |   |   |   |    |    |    |    |   |     | X  |
| 4   |    |    |   |   | X |   |   |    |    |    |    |   |     |    |
| 5   |    |    |   |   |   |   |   |    |    |    |    |   |     | X  |
| 6   |    |    |   |   |   |   |   |    |    |    |    |   |     | X  |
| 7a  |    |    |   |   |   |   |   |    |    |    |    |   |     | X  |
| b   |    |    |   |   |   |   |   |    |    |    |    |   |     | X  |
| 8   |    |    |   |   |   |   |   |    |    |    |    |   |     |    |
| a   |    |    |   |   |   | X |   |    |    |    |    |   |     |    |
| b   |    |    |   |   |   | X |   |    |    |    |    |   |     |    |
| 9   |    |    |   |   |   |   |   |    |    |    |    |   |     | X  |

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

|   | 10a | 10b | 11a | 12a | 12b | 12c | 13 | 14 | 15a | 15b | 16a | 16b | Yes | No |
|---|-----|-----|-----|-----|-----|-----|----|----|-----|-----|-----|-----|-----|----|
| 10a   |     |     |     |     |     |     |    |    |     |     |     |     |     | X  |
| b   |     |     |     |     |     |     |    |    |     |     |     |     |     |    |
| 11a   |     |     | X   |     |     |     |    |    |     |     |     |     |     |    |
| b   |     |     |     |     |     |     |    |    |     |     |     |     |     |    |
| 12a   |     |     |     | X   |     |     |    |    |     |     |     |     |     |    |
| b   |     |     |     |     | X   |     |    |    |     |     |     |     |     |    |
| c   |     |     |     |     |     | X   |    |    |     |     |     |     |     |    |
| 13  |     |     |     |     |     |     | X  |    |     |     |     |     |     |    |
| 14  |     |     |     |     |     |     | X  |    |     |     |     |     |     |    |
| 15  |     |     |     |     |     |     |    |    |     |     |     |     |     |    |
| a   |     |     |     |     |     |     |    |    | X   |     |     |     |     |    |
| b   |     |     |     |     |     |     |    |    | X   |     |     |     |     |    |
| If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). |     |     |     |     |     |     |    |    |     |     |     |     |     |    |
| 16a   |     |     |     |     |     |     |    |    |     |     |     |     |     | X  |
| b   |     |     |     |     |     |     |    |    |     |     |     |     |     |    |
| 16b   |     |     |     |     |     |     |    |    |     |     |     |     |     |    |

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed  MN
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records:   
**SCOTT BORDO, CPA, MBA - 612-752-8000**  
**1900 CHICAGO AVENUE, MINNEAPOLIS, MN 55404**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A)<br>Name and Title                                   | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|   |   | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (1) WILLIAM TELLEEN<br>CHAIRPERSON                      | 2.00<br>2.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (2) PAUL WAY<br>FIRST VICE CHAIRPERSON                  | 2.00<br>2.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (3) MONICA MCCrackEN-TIETJEN<br>SECOND VICE CHAIRPERSON | 2.00<br>2.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (4) TIM BEERS<br>TREASURER                              | 2.00<br>2.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (5) FRED EASTER<br>SECRETARY                            | 2.00<br>2.00  | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| (6) NANCY CARLSON<br>DIRECTOR                           | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (7) TYRIZE COX<br>DIRECTOR                              | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (8) DOUG EVINK<br>DIRECTOR                              | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (9) GENE HANF<br>DIRECTOR                               | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (10) DANIEL JAEGER<br>DIRECTOR                          | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (11) THOMAS KEUL, MD<br>DIRECTOR                        | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (12) KAREN KING<br>DIRECTOR                             | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (13) JIM RUELE<br>DIRECTOR                              | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (14) JULIA VAN ETTEN<br>DIRECTOR THROUGH 01/31/14       | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (15) DEBRA WEISS<br>DIRECTOR                            | 2.00<br>1.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (16) KELLY MATTER<br>PRESIDENT AND CEO                  | 40.00<br>5.00   |   |                       | X       |              |                              |        | 193,289.   | 0.  | 10,596.   |
| (17) ED TUSA<br>CFO THROUGH 11/19/14                    | 40.00<br>1.00   |   |                       | X       |              |                              |        | 19,150.  | 0.  | 471.  |

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

| (A)<br>Name and title  | (B)<br>Average hours per week (list any hours for related organizations below line) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |   | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (18) HEIDI KAMMER<br>VP CHEMICAL AND MENTAL HEALTH                   | 40.00<br>0.00   |   |                       |         |              | X                            |        | 116,318.   | 0.  | 27,565.   |
| (19) JOANNE KOSCIOLEK<br>VP FUND DEVELOPMENT, COMMUNICATIONS         | 40.00<br>0.00   |   |                       |         |              | X                            |        | 113,765.   | 0.  | 10,998.   |
|  |   |   |                       |         |              |                              |        |  |   |   |
|  |   |   |                       |         |              |                              |        |  |   |   |
|  |   |   |                       |         |              |                              |        |  |   |   |
|  |   |   |                       |         |              |                              |        |  |   |   |
|  |   |   |                       |         |              |                              |        |  |   |   |
|  |   |   |                       |         |              |                              |        |  |   |   |
|  |   |   |                       |         |              |                              |        |  |   |   |
|  |   |   |                       |         |              |                              |        |  |   |   |
|  |   |   |                       |         |              |                              |        |  |   |   |
| <b>1b Sub-total</b> .....  |   |   |                       |         |              |                              |        | 442,522.   | 0.  | 49,630.   |
| <b>c Total from continuation sheets to Part VII, Section A</b> ..... |   |   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| <b>d Total (add lines 1b and 1c)</b> .....                           |   |   |                       |         |              |                              |        | 442,522.   | 0.  | 49,630.   |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **3**

|  | Yes | No |
|--|-----|----|
| 3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual .....  |     | X  |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual ..... | X   |    |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person .....                       |     | X  |

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A)<br>Name and business address                                | (B)<br>Description of services | (C)<br>Compensation |
|---|--------------------------------|---------------------|
| SALO<br>NW 6087, PO BOX 1450, MINNEAPOLIS, MN 55485             | INTERIM ACCOUNTING SERVICES    | 1,083,431.          |
| TREE TRUST, 2231 EDGEWOOD AVE SOUTH, SAINT LOUIS PARK, MN 55426 | PAID WORK EXPERIENCE           | 208,042.            |
| GRADE A SECURITY<br>PO BOX 50521, MINNEAPOLIS, MN 55405         | SECURITY SERVICES              | 123,332.            |
|   |                                |                     |
|   |                                |                     |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **3**



**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

|   |  |   | (A)<br>Total revenue                         | (B)<br>Related or<br>exempt function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue excluded<br>from tax under<br>sections<br>512 - 514 |  |
|---|--|---|--|---|---|--|--|
| Contributions, Gifts, Grants<br>and Other Similar Amounts | 1 a  | Federated campaigns   | 835,631.                                     |   |   |  |  |
|   | 1 b  | Membership dues   |  |   |   |  |  |
|   | 1 c  | Fundraising events  |  |   |   |  |  |
|   | 1 d  | Related organizations   | 233,500.                                     |   |   |  |  |
|   | 1 e  | Government grants (contributions)   | 16,334,376.                                  |   |   |  |  |
|   | 1 f  | All other contributions, gifts, grants, and<br>similar amounts not included above   | 618,961.                                     |   |   |  |  |
|   | g  | Noncash contributions included in lines 1a-1f: \$   |  |   |   |  |  |
|   | h  | <b>Total.</b> Add lines 1a-1f   |  | 18,022,468.                                     |   |  |  |
| Program Service<br>Revenue                                | 2 a  | PROGRAM SERVICE FEES  | 624100                                       | 8,608,810.                                      | 8,608,810.                              |  |  |
|   | 2 b  |   |  |   |   |  |  |
|   | 2 c  |   |  |   |   |  |  |
|   | 2 d  |   |  |   |   |  |  |
|   | 2 e  |   |  |   |   |  |  |
|   | 2 f  | All other program service revenue   |  |   |   |  |  |
|   | g  | <b>Total.</b> Add lines 2a-2f   |  | 8,608,810.                                      |   |  |  |
| Other Revenue   | 3  | Investment income (including dividends, interest, and<br>other similar amounts)   |  | 8,001.  |   | 8,001.   |  |
|   | 4  | Income from investment of tax-exempt bond proceeds  |  |   |   |  |  |
|   | 5  | Royalties   |  |   |   |  |  |
|   | 6 a  | Gross rents   | (i) Real                                     |   |   |  |  |
|   |  |   | (ii) Personal                                |   |   |  |  |
|   |  |   | b  | Less: rental expenses                           |   |  |  |
|   |  |   | c  | Rental income or (loss)                         |   |  |  |
|   | d  | Net rental income or (loss)   |  |   |   |  |  |
|   | 7 a  | Gross amount from sales of<br>assets other than inventory   | (i) Securities                               |   |   |  |  |
|   |  |   | (ii) Other                                   |   |   |  |  |
|   |  |   | b  | Less: cost or other basis<br>and sales expenses |   |  |  |
|   |  |   | c  | Gain or (loss)                                  |   |  |  |
|   | d  | Net gain or (loss)  |  |   |   |  |  |
|   | 8 a  | Gross income from fundraising events (not<br>including \$ _____ of<br>contributions reported on line 1c). See<br>Part IV, line 18 | a  |   |   |  |  |
|   |  |   | b  | Less: direct expenses                           |   |  |  |
| c   |  |   | Net income or (loss) from fundraising events |   |   |  |  |
| 9 a   | Gross income from gaming activities. See<br>Part IV, line 19 | a   |  |   |   |  |  |
|   |  | b   | Less: direct expenses                        |   |   |  |  |
|   |  | c   | Net income or (loss) from gaming activities  |   |   |  |  |
| 10 a  | Gross sales of inventory, less returns<br>and allowances     | a   |  |   |   |  |  |
|   |  | b   | Less: cost of goods sold                     |   |   |  |  |
|   |  | c   | Net income or (loss) from sales of inventory |   |   |  |  |
| Miscellaneous Revenue                                     |  |   | Business Code                                |   |   |  |  |
| 11 a  | OTHER INCOME   | 900099  | 40,114.                                      |   | 40,114.                                 |  |  |
| 11 b  |  |   |  |   |   |  |  |
| 11 c  |  |   |  |   |   |  |  |
| 11 d  | All other revenue  |   |  |   |   |  |  |
| 11 e  | <b>Total.</b> Add lines 11a-11d                              |   | 40,114.                                      |   |   |  |  |
| 12  | <b>Total revenue.</b> See instructions.                      |   | 26,679,393.                                  | 8,608,810.                                      | 0.                                      | 48,115.  |  |

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.  | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21  |                       |                                 |  |                             |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22   | 3,052,948.            | 3,052,948.                      |  |                             |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16  |                       |                                 |  |                             |
| 4 Benefits paid to or for members   |                       |                                 |  |                             |
| 5 Compensation of current officers, directors, trustees, and key employees  | 223,506.              | 178,804.                        | 44,702.                                |                             |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)   |                       |                                 |  |                             |
| 7 Other salaries and wages  | 13,080,062.           | 12,015,378.                     | 912,463.                               | 152,221.                    |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)  | 354,141.              | 337,984.                        | 13,519.                                | 2,638.                      |
| 9 Other employee benefits   | 2,206,860.            | 2,101,482.                      | 89,164.                                | 16,214.                     |
| 10 Payroll taxes  | 1,184,731.            | 1,123,908.                      | 47,128.                                | 13,695.                     |
| 11 Fees for services (non-employees):   |                       |                                 |  |                             |
| a Management  |                       |                                 |  |                             |
| b Legal   | 40,828.               |                                 | 40,828.                                |                             |
| c Accounting  | 50,069.               |                                 | 50,069.                                |                             |
| d Lobbying  |                       |                                 |  |                             |
| e Professional fundraising services. See Part IV, line 17   |                       |                                 |  |                             |
| f Investment management fees  |                       |                                 |  |                             |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)   | 2,375,166.            | 1,183,970.                      | 1,160,332.                             | 30,864.                     |
| 12 Advertising and promotion  | 43,356.               | 41,444.                         | 543.                                   | 1,369.                      |
| 13 Office expenses  | 662,855.              | 580,981.                        | 77,013.                                | 4,861.                      |
| 14 Information technology   |                       |                                 |  |                             |
| 15 Royalties  |                       |                                 |  |                             |
| 16 Occupancy  | 2,299,045.            | 2,241,512.                      | 52,003.                                | 5,530.                      |
| 17 Travel   | 241,386.              | 238,146.                        | 2,923.                                 | 317.                        |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| 19 Conferences, conventions, and meetings   | 161,227.              | 115,365.                        | 40,965.                                | 4,897.                      |
| 20 Interest   | 180,643.              | 173,651.                        | 6,458.                                 | 534.                        |
| 21 Payments to affiliates   |                       |                                 |  |                             |
| 22 Depreciation, depletion, and amortization  | 518,244.              | 492,710.                        | 21,415.                                | 4,119.                      |
| 23 Insurance  | 125,581.              | 21,299.                         | 104,118.                               | 164.                        |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) |                       |                                 |  |                             |
| a <b>BAD DEBT</b>   | 235,415.              | 182,083.                        | 53,332.                                |                             |
| b <b>EQUIPMENT RENTAL MAINTENANCE</b>   | 224,098.              | 186,506.                        | 35,611.                                | 1,981.                      |
| c <b>EQUIPMENT PURCHASES</b>  | 121,263.              | 114,783.                        | 5,836.                                 | 644.                        |
| d <b>MEMBERSHIPS</b>  | 50,922.               | 46,147.                         | 4,440.                                 | 335.                        |
| e All other expenses  | 77,490.               | 33,336.                         | 43,827.                                | 327.                        |
| 25 <b>Total functional expenses.</b> Add lines 1 through 24e  | 27,509,836.           | 24,462,437.                     | 2,806,689.                             | 240,710.                    |
| 26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.                              |                       |                                 |  |                             |

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

|                             |   | (A)<br>Beginning of year  |             | (B)<br>End of year |            |
|-----------------------------|---|---|-------------|--------------------|------------|
| Assets                      | 1   | Cash - non-interest-bearing .....   |             | 1                  |            |
|                             | 2   | Savings and temporary cash investments .....  | 2,671,005.  | 2                  | 332,396.   |
|                             | 3   | Pledges and grants receivable, net .....  | 1,847,386.  | 3                  | 121,807.   |
|                             | 4   | Accounts receivable, net .....  | 1,354,738.  | 4                  | 4,797,936. |
|                             | 5   | Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....   |             | 5                  |            |
|                             | 6   | Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L ..... |             | 6                  |            |
|                             | 7   | Notes and loans receivable, net .....   |             | 7                  |            |
|                             | 8   | Inventories for sale or use .....   |             | 8                  |            |
|                             | 9   | Prepaid expenses and deferred charges .....   | 256,310.    | 9                  | 436,541.   |
|                             | 10a   | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....   | 10,289,890. |                    |            |
|                             |   | 10a   |             |                    |            |
|                             | b   | Less: accumulated depreciation .....  | 5,286,889.  | 10b                |            |
|                             |   |   | 5,316,865.  | 10c                | 5,003,001. |
|                             | 11  | Investments - publicly traded securities .....  | 118,911.    | 11                 | 84,586.    |
|                             | 12  | Investments - other securities. See Part IV, line 11 .....  |             | 12                 |            |
|                             | 13  | Investments - program-related. See Part IV, line 11 .....   |             | 13                 |            |
| 14                          | Intangible assets .....   |   | 14          |                    |            |
| 15                          | Other assets. See Part IV, line 11 .....  | 72,562.   | 15          | 481,721.           |            |
| 16                          | <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....  | 11,637,777.   | 16          | 11,257,988.        |            |
| Liabilities                 | 17  | Accounts payable and accrued expenses .....   | 2,077,013.  | 17                 | 2,549,483. |
|                             | 18  | Grants payable .....  |             | 18                 |            |
|                             | 19  | Deferred revenue .....  | 453,498.    | 19                 | 152,151.   |
|                             | 20  | Tax-exempt bond liabilities .....   | 2,659,480.  | 20                 | 2,542,810. |
|                             | 21  | Escrow or custodial account liability. Complete Part IV of Schedule D .....   | 1,398.      | 21                 | 1,398.     |
|                             | 22  | Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....  |             | 22                 |            |
|                             | 23  | Secured mortgages and notes payable to unrelated third parties .....  |             | 23                 |            |
|                             | 24  | Unsecured notes and loans payable to unrelated third parties .....  | 1,502,275.  | 24                 | 1,452,691. |
|                             | 25  | Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....   | 349,283.    | 25                 | 278,341.   |
|                             | 26  | <b>Total liabilities.</b> Add lines 17 through 25 .....   | 7,042,947.  | 26                 | 6,976,874. |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |   |             |                    |            |
|                             | 27  | Unrestricted net assets .....   | 3,668,952.  | 27                 | 3,785,104. |
|                             | 28  | Temporarily restricted net assets .....   | 922,628.    | 28                 | 492,760.   |
|                             | 29  | Permanently restricted net assets .....   | 3,250.      | 29                 | 3,250.     |
|                             | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.                          |   |             |                    |            |
|                             | 30  | Capital stock or trust principal, or current funds .....  |             | 30                 |            |
|                             | 31  | Paid-in or capital surplus, or land, building, or equipment fund .....  |             | 31                 |            |
|                             | 32  | Retained earnings, endowment, accumulated income, or other funds .....  |             | 32                 |            |
| 33                          | <b>Total net assets or fund balances</b> .....  | 4,594,830.  | 33          | 4,281,114.         |            |
| 34                          | <b>Total liabilities and net assets/fund balances</b> .....   | 11,637,777.   | 34          | 11,257,988.        |            |

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

|    |  |    |             |
|----|--|----|-------------|
| 1  | Total revenue (must equal Part VIII, column (A), line 12)  | 1  | 26,679,393. |
| 2  | Total expenses (must equal Part IX, column (A), line 25)   | 2  | 27,509,836. |
| 3  | Revenue less expenses. Subtract line 2 from line 1   | 3  | -830,443.   |
| 4  | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                      | 4  | 4,594,830.  |
| 5  | Net unrealized gains (losses) on investments   | 5  |             |
| 6  | Donated services and use of facilities   | 6  |             |
| 7  | Investment expenses  | 7  |             |
| 8  | Prior period adjustments   | 8  | 516,727.    |
| 9  | Other changes in net assets or fund balances (explain in Schedule O)   | 9  | 0.          |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 4,281,114.  |

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

|   |  | Yes | No |
|---|--|-----|----|
| 1   | Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other   |     |    |
| If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.   |  |     |    |
| 2a  | Were the organization's financial statements compiled or reviewed by an independent accountant?  |     | X  |
| If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: |  |     |    |
| <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis                 |  |     |    |
| 2b  | Were the organization's financial statements audited by an independent accountant?   | X   |    |
| If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:              |  |     |    |
| <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis      |  |     |    |
| 2c  | If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? | X   |    |
| If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.   |  |     |    |
| 3a  | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?   | X   |    |
| 3b  | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits     | X   |    |

Form 990 (2014)



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ▶   | (a) 2010    | (b) 2011    | (c) 2012    | (d) 2013    | (e) 2014    | (f) Total   |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....  | 22,835,951. | 19,101,576. | 17,902,973. | 18,185,275. | 18,022,468. | 96,048,243. |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....   |             |             |             |             |             |             |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge .....   |             |             |             |             |             |             |
| 4 <b>Total.</b> Add lines 1 through 3 .....   | 22,835,951. | 19,101,576. | 17,902,973. | 18,185,275. | 18,022,468. | 96,048,243. |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) ..... |             |             |             |             |             |             |
| 6 <b>Public support.</b> Subtract line 5 from line 4.   |             |             |             |             |             | 96,048,243. |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ▶   | (a) 2010                 | (b) 2011    | (c) 2012    | (d) 2013    | (e) 2014    | (f) Total   |
|---|--------------------------|-------------|-------------|-------------|-------------|-------------|
| 7 Amounts from line 4 .....   | 22,835,951.              | 19,101,576. | 17,902,973. | 18,185,275. | 18,022,468. | 96,048,243. |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....  | 21,731.                  | 26,880.     | 32,318.     | 21,152.     | 8,001.      | 110,082.    |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on .....  |                          |             |             |             |             |             |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....  | 93,901.                  | 111,357.    | 58,997.     | 50,819.     | 40,114.     | 355,188.    |
| 11 <b>Total support.</b> Add lines 7 through 10 .....   |                          |             |             |             |             | 96,513,513. |
| 12 Gross receipts from related activities, etc. (see instructions) .....  |                          |             |             | 12          | 33,703,083. |             |
| 13 <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ..... | <input type="checkbox"/> |             |             |             |             |             |

**Section C. Computation of Public Support Percentage**

|  |                                     |         |
|--|-------------------------------------|---------|
| 14 Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f)) .....  | 14                                  | 99.52 % |
| 15 Public support percentage from 2013 Schedule A, Part II, line 14 .....  | 15                                  | 99.52 % |
| 16a <b>33 1/3% support test - 2014.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization .....  | <input checked="" type="checkbox"/> |         |
| b <b>33 1/3% support test - 2013.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization .....   | <input type="checkbox"/>            |         |
| 17a <b>10% -facts-and-circumstances test - 2014.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....    | <input type="checkbox"/>            |         |
| b <b>10% -facts-and-circumstances test - 2013.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... | <input type="checkbox"/>            |         |
| 18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....   | <input type="checkbox"/>            |         |

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ▶   | (a) 2010 | (b) 2011 | (c) 2012 | (d) 2013 | (e) 2014 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....   |          |          |          |          |          |           |
| <b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose ..... |          |          |          |          |          |           |
| <b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....   |          |          |          |          |          |           |
| <b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....  |          |          |          |          |          |           |
| <b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....  |          |          |          |          |          |           |
| <b>6 Total.</b> Add lines 1 through 5 .....   |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....  |          |          |          |          |          |           |
| <b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....           |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b .....  |          |          |          |          |          |           |
| <b>8 Public support.</b> (Subtract line 7c from line 6.)  |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ▶   | (a) 2010 | (b) 2011 | (c) 2012 | (d) 2013 | (e) 2014 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>9</b> Amounts from line 6 .....  |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ..... |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....                          |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b .....  |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....     |          |          |          |          |          |           |
| <b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....                                 |          |          |          |          |          |           |
| <b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)  |          |          |          |          |          |           |

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

|  |           |   |
|--|-----------|---|
| <b>15</b> Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f)) ..... | <b>15</b> | % |
| <b>16</b> Public support percentage from 2013 Schedule A, Part III, line 15 .....                      | <b>16</b> | % |

**Section D. Computation of Investment Income Percentage**

|   |           |   |
|---|-----------|---|
| <b>17</b> Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f)) ..... | <b>17</b> | % |
| <b>18</b> Investment income percentage from 2013 Schedule A, Part III, line 17 .....                        | <b>18</b> | % |

**19a 33 1/3% support tests - 2014.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2013.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supporting Organizations**

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

|  | Yes | No |
|--|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.   |     |    |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).   |     |    |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.   |     |    |
| b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.   |     |    |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.  |     |    |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.   |     |    |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.  |     |    |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.   |     |    |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document). |     |    |
| b <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?   |     |    |
| c <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?  |     |    |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations; (b) individuals that are part of the charitable class benefited by one or more of its supported organizations; or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI.   |     |    |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).  |     |    |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990).  |     |    |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI.  |     |    |
| b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI.  |     |    |
| c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI.   |     |    |
| 10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer (b) below.   |     |    |
| b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)   |     |    |



**Part IV Supporting Organizations** (continued)

- 11** Has the organization accepted a gift or contribution from any of the following persons?
- a** A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?
  - b** A family member of a person described in (a) above?
  - c** A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.

|     | Yes | No |
|-----|-----|----|
| 11a |     |    |
| 11b |     |    |
| 11c |     |    |

**Section B. Type I Supporting Organizations**

- 1** Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.
- 2** Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.

|   | Yes | No |
|---|-----|----|
| 1 |     |    |
| 2 |     |    |

**Section C. Type II Supporting Organizations**

- 1** Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).

|   | Yes | No |
|---|-----|----|
| 1 |     |    |

**Section D. Type III Supporting Organizations**

- 1** Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?
- 2** Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).
- 3** By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.

|   | Yes | No |
|---|-----|----|
| 1 |     |    |
| 2 |     |    |
| 3 |     |    |

**Section E. Type III Functionally-Integrated Supporting Organizations**

- 1** Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):
  - a**  The organization satisfied the Activities Test. Complete line 2 below.
  - b**  The organization is the parent of each of its supported organizations. Complete line 3 below.
  - c**  The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).

**2** Activities Test. Answer (a) and (b) below.

- a** Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.
- b** Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

**3** Parent of Supported Organizations. Answer (a) and (b) below.

- a** Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.
- b** Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.

|    | Yes | No |
|----|-----|----|
| 2a |     |    |
| 2b |     |    |
| 3a |     |    |
| 3b |     |    |

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

| Section A - Adjusted Net Income |  | (A) Prior Year | (B) Current Year<br>(optional) |
|---------------------------------|--|----------------|--------------------------------|
| 1                               | Net short-term capital gain  | 1              |                                |
| 2                               | Recoveries of prior-year distributions   | 2              |                                |
| 3                               | Other gross income (see instructions)  | 3              |                                |
| 4                               | Add lines 1 through 3  | 4              |                                |
| 5                               | Depreciation and depletion   | 5              |                                |
| 6                               | Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6              |                                |
| 7                               | Other expenses (see instructions)  | 7              |                                |
| 8                               | <b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)   | 8              |                                |

| Section B - Minimum Asset Amount |   | (A) Prior Year | (B) Current Year<br>(optional) |
|----------------------------------|---|----------------|--------------------------------|
| 1                                | Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year): |                |                                |
| a                                | Average monthly value of securities   | 1a             |                                |
| b                                | Average monthly cash balances   | 1b             |                                |
| c                                | Fair market value of other non-exempt-use assets  | 1c             |                                |
| d                                | <b>Total</b> (add lines 1a, 1b, and 1c)   | 1d             |                                |
| e                                | <b>Discount</b> claimed for blockage or other factors (explain in detail in Part VI):   |                |                                |
| 2                                | Acquisition indebtedness applicable to non-exempt-use assets  | 2              |                                |
| 3                                | Subtract line 2 from line 1d  | 3              |                                |
| 4                                | Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).                                 | 4              |                                |
| 5                                | Net value of non-exempt-use assets (subtract line 4 from line 3)  | 5              |                                |
| 6                                | Multiply line 5 by .035   | 6              |                                |
| 7                                | Recoveries of prior-year distributions  | 7              |                                |
| 8                                | <b>Minimum Asset Amount</b> (add line 7 to line 6)  | 8              |                                |

| Section C - Distributable Amount |   |   | Current Year |
|----------------------------------|---|---|--------------|
| 1                                | Adjusted net income for prior year (from Section A, line 8, Column A)   | 1 |              |
| 2                                | Enter 85% of line 1   | 2 |              |
| 3                                | Minimum asset amount for prior year (from Section B, line 8, Column A)  | 3 |              |
| 4                                | Enter greater of line 2 or line 3   | 4 |              |
| 5                                | Income tax imposed in prior year  | 5 |              |
| 6                                | <b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)  | 6 |              |
| 7                                | <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions). |   |              |

Schedule A (Form 990 or 990-EZ) 2014

**Part V** Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations *(continued)*

| Section D - Distributions  | Current Year |
|--|--------------|
| 1 Amounts paid to supported organizations to accomplish exempt purposes  |              |
| 2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity      |              |
| 3 Administrative expenses paid to accomplish exempt purposes of supported organizations  |              |
| 4 Amounts paid to acquire exempt-use assets  |              |
| 5 Qualified set-aside amounts (prior IRS approval required)  |              |
| 6 Other distributions (describe in Part VI). See instructions.   |              |
| 7 <b>Total annual distributions.</b> Add lines 1 through 6.  |              |
| 8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions. |              |
| 9 Distributable amount for 2014 from Section C, line 6   |              |
| 10 Line 8 amount divided by Line 9 amount  |              |

| Section E - Distribution Allocations (see instructions)   | (i)<br>Excess Distributions | (ii)<br>Underdistributions<br>Pre-2014 | (iii)<br>Distributable<br>Amount for 2014 |
|---|-----------------------------|--|---|
| 1 Distributable amount for 2014 from Section C, line 6  |                             |  |   |
| 2 Underdistributions, if any, for years prior to 2014 (reasonable cause required-see instructions)  |                             |  |   |
| 3 Excess distributions carryover, if any, to 2014:  |                             |  |   |
| a   |                             |  |   |
| b   |                             |  |   |
| c   |                             |  |   |
| d   |                             |  |   |
| e From 2013   |                             |  |   |
| f <b>Total</b> of lines 3a through e  |                             |  |   |
| g Applied to underdistributions of prior years  |                             |  |   |
| h Applied to 2014 distributable amount  |                             |  |   |
| i Carryover from 2009 not applied (see instructions)  |                             |  |   |
| j Remainder. Subtract lines 3g, 3h, and 3i from 3f.   |                             |  |   |
| 4 Distributions for 2014 from Section D, line 7: \$   |                             |  |   |
| a Applied to underdistributions of prior years  |                             |  |   |
| b Applied to 2014 distributable amount  |                             |  |   |
| c Remainder. Subtract lines 4a and 4b from 4.   |                             |  |   |
| 5 Remaining underdistributions for years prior to 2014, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions). |                             |  |   |
| 6 Remaining underdistributions for 2014. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).                        |                             |  |   |
| 7 <b>Excess distributions carryover to 2015.</b> Add lines 3j and 4c.   |                             |  |   |
| 8 Breakdown of line 7:  |                             |  |   |
| a   |                             |  |   |
| b   |                             |  |   |
| c   |                             |  |   |
| d Excess from 2013  |                             |  |   |
| e Excess from 2014  |                             |  |   |

Schedule A (Form 990 or 990-EZ) 2014

**Part VI** Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12.

Also complete this part for any additional information. (See instructions).

SCHEDULE A, PART II, LINE 10, EXPLANATION FOR OTHER INCOME:

OTHER INCOME

2010 AMOUNT: \$ 93,901.

2011 AMOUNT: \$ 111,357.

2012 AMOUNT: \$ 58,997.

2013 AMOUNT: \$ 50,819.

2014 AMOUNT: \$ 40,114.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2014 Open to Public Inspection

Name of the organization RESOURCE, INC. Employer identification number 41-0828779

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Question number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Form for Part II Conservation Easements, including questions 1-9 and a table for 'Held at the End of the Tax Year' with rows 2a, 2b, 2c, 2d.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets, including questions 1a, 1b, 2, and 3.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

|                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

|  | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance                     | 3,250.           | 3,250.         | 3,250.             | 3,250.               | 3,250.              |
| b Contributions                                  |                  |                |                    |                      |                     |
| c Net investment earnings, gains, and losses     |                  |                |                    |                      |                     |
| d Grants or scholarships                         |                  |                |                    |                      |                     |
| e Other expenditures for facilities and programs |                  |                |                    |                      |                     |
| f Administrative expenses                        |                  |                |                    |                      |                     |
| g End of year balance                            | 3,250.           | 3,250.         | 3,250.             | 3,250.               | 3,250.              |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  .00 %
- b Permanent endowment  100.00 %
- c Temporarily restricted endowment  .00 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

|   | Yes | No |
|---|-----|----|
| (i) unrelated organizations   |     | X  |
| (ii) related organizations  |     | X  |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b  |    |

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property  | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land  |                                      | 411,408.                        |                              | 411,408.       |
| b Buildings  |                                      | 6,891,217.                      | 3,143,018.                   | 3,748,199.     |
| c Leasehold improvements   |                                      | 617,916.                        | 533,443.                     | 84,473.        |
| d Equipment  |                                      | 1,981,505.                      | 1,334,460.                   | 647,045.       |
| e Other  |                                      | 387,844.                        | 275,968.                     | 111,876.       |
| <b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) |                                      |                                 |                              | 5,003,001.     |

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security)      | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) Financial derivatives .....   |                |   |
| (2) Closely-held equity interests .....                                   |                |   |
| (3) Other .....   |                |   |
| (A)   |                |   |
| (B)   |                |   |
| (C)   |                |   |
| (D)   |                |   |
| (E)   |                |   |
| (F)   |                |   |
| (G)   |                |   |
| (H)   |                |   |
| <b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶ |                |   |

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment   | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1)   |                |   |
| (2)   |                |   |
| (3)   |                |   |
| (4)   |                |   |
| (5)   |                |   |
| (6)   |                |   |
| (7)   |                |   |
| (8)   |                |   |
| (9)   |                |   |
| <b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶ |                |   |

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

| (a) Description   | (b) Book value |
|---|----------------|
| (1)   |                |
| (2)   |                |
| (3)   |                |
| (4)   |                |
| (5)   |                |
| (6)   |                |
| (7)   |                |
| (8)   |                |
| (9)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ |                |

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability   | (b) Book value |
|---|----------------|
| (1) Federal income taxes  |                |
| (2) CAPITAL LEASES  | 45,214.        |
| (3) REFUNDABLE ADVANCES   | 123,508.       |
| (4) ASSET RETIREMENT OBLIGATION   | 109,619.       |
| (5)   |                |
| (6)   |                |
| (7)   |                |
| (8)   |                |
| (9)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | 278,341.       |

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

|   |   |    |    |  |
|---|---|----|----|--|
| 1 | Total revenue, gains, and other support per audited financial statements        |    | 1  |  |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12:             |    |    |  |
| a | Net unrealized gains (losses) on investments                                    | 2a |    |  |
| b | Donated services and use of facilities  | 2b |    |  |
| c | Recoveries of prior year grants   | 2c |    |  |
| d | Other (Describe in Part XIII.)  | 2d |    |  |
| e | Add lines 2a through 2d   |    | 2e |  |
| 3 | Subtract line 2e from line 1  |    | 3  |  |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1:            |    |    |  |
| a | Investment expenses not included on Form 990, Part VIII, line 7b                | 4a |    |  |
| b | Other (Describe in Part XIII.)  | 4b |    |  |
| c | Add lines 4a and 4b   |    | 4c |  |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) |    | 5  |  |

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

|   |  |    |    |  |
|---|--|----|----|--|
| 1 | Total expenses and losses per audited financial statements                       |    | 1  |  |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25:                |    |    |  |
| a | Donated services and use of facilities   | 2a |    |  |
| b | Prior year adjustments   | 2b |    |  |
| c | Other losses   | 2c |    |  |
| d | Other (Describe in Part XIII.)   | 2d |    |  |
| e | Add lines 2a through 2d  |    | 2e |  |
| 3 | Subtract line 2e from line 1   |    | 3  |  |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1:               |    |    |  |
| a | Investment expenses not included on Form 990, Part VIII, line 7b                 | 4a |    |  |
| b | Other (Describe in Part XIII.)   | 4b |    |  |
| c | Add lines 4a and 4b  |    | 4c |  |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) |    | 5  |  |

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART IV, LINE 2B:**

THE ORGANIZATION MAINTAINED CUSTODIAL ACCOUNTS FOR CLIENTS.

**PART V, LINE 4:**

THE ENDOWMENT FUNDS WERE MAINTAINED TO SUPPORT GENERAL PROGRAM OPERATIONS.

**PART X, LINE 2:**

THE ORGANIZATION IS CLASSIFIED AS A TAX-EXEMPT ORGANIZATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND, ACCORDINGLY, IS NOT SUBJECT TO FEDERAL INCOME TAXES. AS SUCH, IT IS SUBJECT TO FEDERAL AND STATE INCOME TAXES ON NET UNRELATED BUSINESS INCOME. THE ORGANIZATION CURRENTLY HAS NO UNRELATED BUSINESS INCOME.



Part XIII Supplemental Information (continued)

THE ORGANIZATION FOLLOWS THE ACCOUNTING STANDARDS FOR CONTINGENCIES IN EVALUATING UNCERTAIN TAX POSITIONS AND FILES AS A TAX-EXEMPT ORGANIZATION. SHOULD THAT STATUS BE CHALLENGED IN THE FUTURE, ALL YEARS SINCE INCEPTION COULD BE SUBJECT TO REVIEW BY THE INTERNAL REVENUE SERVICE (IRS).

Multiple horizontal lines for supplemental information.

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

RESOURCE, INC.

Employer identification number  
41-0828779

**Part I** General Information on Grants and Assistance

**1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

**2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.  Yes  No

**Part II** Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

| 1 (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|--|---------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |
|  |         |                               |                          |                                   |   |  |                                    |

**2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

**3** Enter total number of other organizations listed in the line 1 table

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

**Part III** Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

| (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of non-cash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of non-cash assistance |
|---------------------------------|--------------------------|--------------------------|-----------------------------------|---|--|
| LEGAL ASSISTANCE                | 62                       | 2,494.                   | 0.                                | N/A   | N/A                                    |
| MEDICAL ASSISTANCE              | 90                       | 9,514.                   | 0.                                | N/A   | N/A                                    |
| PERSONAL NEEDS                  | 211                      | 64,421.                  | 0.                                | N/A   | N/A                                    |
| FOOD ASSISTANCE                 | 5461                     | 331,223.                 | 0.                                | N/A   | N/A                                    |
| HOUSING ASSISTANCE              | 638                      | 1,260,173.               | 0.                                | N/A   | N/A                                    |

**Part IV** Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

**PART I, LINE 2:**

**ELIGIBILITY, SELECTION AND SUBSTANTIATION REQUIREMENTS ARE SPECIFIED BY THE**

**GRANTING ENTITIES. ALL SUCH REQUIREMENTS ARE DOCUMENTED ACCORDING TO THE**

**GRANTOR'S SPECIFICATIONS. ALL REQUESTS FOR GRANT AND ASSISTANCE PAYMENTS**

**ARE DOCUMENTED AND APPROVED PRIOR TO PAYMENT. PAYMENTS ARE GENERALLY MADE**

**TO APPROPRIATE SERVICE OR PRODUCT VENDORS RATHER THAN DIRECTLY TO THE**

**PROGRAM PARTICIPANT.**

Part III Continuation of Grants and Other Assistance to Individuals in the United States (Schedule I (Form 990), Part III)

| (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of non-cash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of non-cash assistance |
|---------------------------------|--------------------------|--------------------------|-----------------------------------|---|--|
| CLOTHING ASSISTANCE             | 420.                     | 64,216.                  | 0. N/A                            | N/A   | N/A                                    |
| TRANSPORTATION                  | 4,466.                   | 396,855.                 | 0. N/A                            | N/A   | N/A                                    |
| WAGES AND PAYROLL TAXES         | 160.                     | 26,991.                  | 0. N/A                            | N/A   | N/A                                    |
| EDUCATION ASSISTANCE            | 904.                     | 896,083.                 | 0. N/A                            | N/A   | N/A                                    |
|                                 |                          |                          |                                   |   |  |
|                                 |                          |                          |                                   |   |  |
|                                 |                          |                          |                                   |   |  |
|                                 |                          |                          |                                   |   |  |
|                                 |                          |                          |                                   |   |  |
|                                 |                          |                          |                                   |   |  |
|                                 |                          |                          |                                   |   |  |

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

RESOURCE, INC.

Employer identification number

41-0828779

**Part I Questions Regarding Compensation**

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee   | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a Receive a severance payment or change-of-control payment? **4a**
- b Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**
- c Participate in, or receive payment from, an equity-based compensation arrangement? **4c**
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a The organization? **5a**
- b Any related organization? **5b**
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a The organization? **6a**
- b Any related organization? **6b**
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

|    | Yes | No |
|----|-----|----|
| 1b |     |    |
| 2  |     |    |
| 4a |     | X  |
| 4b |     | X  |
| 4c |     | X  |
| 5a |     | X  |
| 5b |     | X  |
| 6a |     | X  |
| 6b |     | X  |
| 7  |     | X  |
| 8  |     | X  |
| 9  |     |    |

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2014



**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Lined area for supplemental information

**SCHEDULE K**  
**(Form 990)**  
Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds  
 Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
 Attach to Form 990. Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047  
**2014**  
 Open to Public Inspection

Name of the organization

**RESOURCE, INC.**

Employer identification number  
**41-0828779**

**Part I Bond Issues** SEE PART VI FOR COLUMN (F) CONTINUATIONS

| (a) Issuer name                            | (b) Issuer EIN | (c) CUSIP # | (d) Date issued | (e) Issue price | (f) Description of purpose      | (g) Deceased |    | (h) On behalf of issuer |    | (i) Pooled financing |    |
|--|----------------|-------------|-----------------|-----------------|---------------------------------|--------------|----|-------------------------|----|----------------------|----|
|  |                |             |                 |                 |                                 | Yes          | No | Yes                     | No | Yes                  | No |
| MINNEAPOLIS COMMUNITY A DEVELOPMENT AGENCY | 41-6009115     | NONE        | 08/17/10        | 3,000,000.      | TO REFINANCE EXISTING BONDS AND |              | X  |                         | X  |                      | X  |
| B  |                |             |                 |                 |                                 |              |    |                         |    |                      |    |
| C  |                |             |                 |                 |                                 |              |    |                         |    |                      |    |
| D  |                |             |                 |                 |                                 |              |    |                         |    |                      |    |

**Part II Proceeds**

|   | A   |            | B   |    | C   |    | D   |    |
|---|-----|------------|-----|----|-----|----|-----|----|
|   | Yes | No         | Yes | No | Yes | No | Yes | No |
| 1 Amount of bonds retired   |     |            |     |    |     |    |     |    |
| 2 Amount of bonds legally defeased  |     | 452,594.   |     |    |     |    |     |    |
| 3 Total proceeds of issue   |     | 3,000,000. |     |    |     |    |     |    |
| 4 Gross proceeds in reserve funds   |     |            |     |    |     |    |     |    |
| 5 Capitalized interest from proceeds  |     |            |     |    |     |    |     |    |
| 6 Proceeds in refunding escrows   |     |            |     |    |     |    |     |    |
| 7 Issuance costs from proceeds  |     | 60,000.    |     |    |     |    |     |    |
| 8 Credit enhancement from proceeds  |     |            |     |    |     |    |     |    |
| 9 Working capital expenditures from proceeds  |     |            |     |    |     |    |     |    |
| 10 Capital expenditures from proceeds   |     | 1,273,426. |     |    |     |    |     |    |
| 11 Other spent proceeds   |     | 1,666,574. |     |    |     |    |     |    |
| 12 Other unspent proceeds   |     |            |     |    |     |    |     |    |
| 13 Year of substantial completion   |     | 2010       |     |    |     |    |     |    |
| 14 Were the bonds issued as part of a current refunding issue?  | X   |            |     |    |     |    |     |    |
| 15 Were the bonds issued as part of an advance refunding issue?   | X   |            |     |    |     |    |     |    |
| 16 Has the final allocation of proceeds been made?  | X   |            |     |    |     |    |     |    |
| 17 Does the organization maintain adequate books and records to support the final allocation of proceeds? | X   |            |     |    |     |    |     |    |

**Part III Private Business Use**

|  | A   |    | B   |    | C   |    | D   |    |
|--|-----|----|-----|----|-----|----|-----|----|
|  | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? |     | X  |     |    |     |    |     |    |
| 2 Are there any lease arrangements that may result in private business use of bond-financed property?                        |     | X  |     |    |     |    |     |    |



Part III Private Business Use (Continued)

|    | A   |     | B   |    | C   |    | D   |    |
|----|-----|-----|-----|----|-----|----|-----|----|
|    | Yes | No  | Yes | No | Yes | No | Yes | No |
| 3a |     |     |     |    |     |    |     |    |
| 3b |     | X   |     |    |     |    |     |    |
| 3c |     | X   |     |    |     |    |     |    |
| 3d |     |     |     |    |     |    |     |    |
| 4  |     | .00 |     |    |     |    |     | %  |
| 5  |     | .00 |     |    |     |    |     | %  |
| 6  |     | .00 |     |    |     |    |     | %  |
| 7  |     | X   |     |    |     |    |     |    |
| 8a |     | X   |     |    |     |    |     |    |
| 8b |     |     |     |    |     |    |     | %  |
| 8c |     |     |     |    |     |    |     | %  |
| 9  |     |     |     |    |     |    |     |    |

Part IV Arbitrage

|    | A   |    | B   |    | C   |    | D   |    |
|----|-----|----|-----|----|-----|----|-----|----|
|    | Yes | No | Yes | No | Yes | No | Yes | No |
| 1  |     | X  |     |    |     |    |     |    |
| 2  |     |    |     |    |     |    |     |    |
| 2a |     | X  |     |    |     |    |     |    |
| 2b |     | X  |     |    |     |    |     |    |
| 2c |     |    |     |    |     |    |     |    |
| 3  |     | X  |     |    |     |    |     |    |
| 4a |     | X  |     |    |     |    |     |    |
| 4b |     |    |     |    |     |    |     |    |
| 4c |     |    |     |    |     |    |     |    |
| 4d |     |    |     |    |     |    |     |    |
| 4e |     |    |     |    |     |    |     |    |

**Part IV Arbitrage (Continued)**

|   | A   |    | B   |    | C   |    | D   |    |
|---|-----|----|-----|----|-----|----|-----|----|
|   | Yes | No | Yes | No | Yes | No | Yes | No |
| 5a Were gross proceeds invested in a guaranteed investment contract (GIC)?                        |     |    |     |    |     |    |     |    |
| b Name of provider  |     | X  |     |    |     |    |     |    |
| c Term of GIC   |     |    |     |    |     |    |     |    |
| d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?     |     |    |     |    |     |    |     |    |
| 6 Were any gross proceeds invested beyond an available temporary period?                          |     | X  |     |    |     |    |     |    |
| 7 Has the organization established written procedures to monitor the requirements of section 148? |     | X  |     |    |     |    |     |    |

**Part V Procedures To Undertake Corrective Action**

|  | A   |    | B   |    | C   |    | D   |    |
|--|-----|----|-----|----|-----|----|-----|----|
|  | Yes | No | Yes | No | Yes | No | Yes | No |
| Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations? |     | X  |     |    |     |    |     |    |

**Part VI Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions).

SCHEDULE K, PART I, BOND ISSUES:  
 (A) ISSUER NAME: MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY  
 (F) DESCRIPTION OF PURPOSE:  
 TO REFINANCE EXISTING BONDS AND MORTGAGE NOTES, AND PROPERTY IMPROVEMENTS

SCHEDULE O  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2014

Open to Public  
Inspection

Name of the organization

RESOURCE, INC.

Employer identification number  
41-0828779

FORM 990, PART III, LINE 4C

RESOURCE SERVES 20,000 PEOPLE ANNUALLY WITH THE FOLLOWING

ACCOMPLISHMENTS: WE HELPED MORE THAN 5,000 PEOPLE WITH SIGNIFICANT

BARRIERS TO EMPLOYMENT FIND JOBS. NINETY-TWO PERCENT OF PARTICIPANTS

GRADUATED FROM OUR WORKFORCE TRAINING PROGRAMS - A HIGHER RATE THAN ANY

TWO- OR FOUR-YEAR DEGREE PROGRAM, AND MORE THAN 400 EARNED

INDUSTRY-RECOGNIZED CERTIFICATIONS. IN ADDITION, 5,400 PEOPLE BEGAN ON

THE PATH TO RECOVERY AND WELLNESS THROUGH ACCESS, CLINICAL SERVICES,

CARE COORDINATION, AND RECOVERY SUPPORT SERVICES.

FORM 990, PART VI, SECTION A, LINE 1:

THE ORGANIZATION HAS AN EXECUTIVE COMMITTEE CONSISTING OF THE OFFICERS OF  
THE BOARD AS ELECTED BY THE BOARD OF DIRECTORS. THE EXECUTIVE COMMITTEE HAS  
ONLY THE POWERS AS DELEGATED AND SET FORTH BY THE BOARD OF DIRECTORS. ANY  
ACTION TAKEN SHALL BE REPORTED TO THE BOARD AT THE NEXT BOARD MEETING.

FORM 990, PART VI, SECTION A, LINE 4:

RESOURCE, INC.'S BYLAWS AND ARTICLES WERE AMENDED TO INCLUDE ITS  
AFFILIATION WITH HELP ENABLE ALCOHOLICS/ADDICTS RECEIVE TREATMENT, INC.  
(HEART) IN 2014.

FORM 990, PART VI, SECTION B, LINE 11:

THE PRESIDENT AND CEO, CHIEF FINANCIAL OFFICER, AND CONTROLLER WILL PERFORM  
A DETAILED DRAFT REVIEW OF FORM 990 PRIOR TO FILING. THE FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS WILL REVIEW A DRAFT OF FORM 990 AND APPROVE IT

Name of the organization

RESOURCE, INC.

Employer identification number

41-0828779

PRIOR TO FILING. THE BOARD OF DIRECTORS WILL RECEIVE A COPY OF FORM 990 AND A REPORT FROM THE FINANCE COMMITTEE.

FORM 990, PART VI, SECTION B, LINE 12C:

ALL RESOURCE BOARD MEMBERS AND ALL RESOURCE EMPLOYEES ARE COVERED BY THE CONFLICT OF INTEREST POLICY. ANNUALLY BOTH BOARD MEMBERS AND EMPLOYEES ARE REQUIRED TO REVIEW THE CONFLICT OF INTEREST POLICY, IN ORDER TO DECLARE ANY, THUS FAR, UNDECLARED CONFLICTS OF INTERESTS OR POTENTIAL CONFLICTS OF INTEREST. THE BOARD CHAIRPERSON AND THE PRESIDENT/CEO REVIEW BOARD MEMBER CONFLICT OF INTEREST DISCLOSURES. THE CONFLICT OF INTEREST DISCLOSURE FORM INCLUDES INSTRUCTIONS TO THE BOARD MEMBER REGARDING THE MANNER IN WHICH THE BOARD MEMBER MUST HANDLE SITUATIONS THAT COULD OR DO PRESENT A CONFLICT OF INTEREST, SHOULD THESE SITUATIONS ARISE. THE BOARD CHAIRPERSON AND THE PRESIDENT/CEO ARE RESPONSIBLE FOR ONGOING MONITORING OF BOARD MEMBER ACTIONS THAT ARE POTENTIAL OR ACTUAL CONFLICTS.

THE EMPLOYEE'S SUPERVISOR AND THE PRESIDENT/CEO REVIEW EMPLOYEE CONFLICT OF INTEREST DISCLOSURES. THE CONFLICT OF INTEREST DISCLOSURE FORM INCLUDES INSTRUCTIONS TO THE EMPLOYEE REGARDING THE MANNER IN WHICH THE EMPLOYEE MUST HANDLE SITUATIONS THAT COULD OR DO PRESENT A CONFLICT OF INTEREST, SHOULD THESE SITUATIONS ARISE. EMPLOYEE'S SUPERVISORS ARE RESPONSIBLE FOR ONGOING MONITORING OF EMPLOYEE ACTIONS THAT ARE POTENTIAL OR ACTUAL CONFLICTS. EXAMPLES OF RESTRICTIONS INCLUDE: 1. REQUIRING A BOARD MEMBER EMPLOYED BY ANOTHER ORGANIZATION THAT COULD COMPETE FOR SIMILAR CONTRACTS NOT TO OBTAIN UNAUTHORIZED INFORMATION, OR IF SHE/HE IS IN POSSESSION OF INFORMATION IN THE COURSE OF PERFORMING HER/HIS BOARD DUTIES THAT IMPROVES THE COMPETITIVENESS OF HER/HIS EMPLOYER SHE/HE MAY NOT USE THIS INFORMATION TO HER ADVANTAGE. 2. REQUIRING AN EMPLOYEE WHO VOLUNTEERS AT ANOTHER

|  |  |
|--|--|
| Name of the organization<br>RESOURCE, INC. | Employer identification number<br>41-0828779 |
|--|--|

NONPROFIT ORGANIZATION SIMILAR TO RESOURCE NOT TO USE RESOURCE CURRICULA OR APPROACHES AS A VOLUNTEER INSTRUCTOR.

IF A POTENTIAL CONFLICT ARISES DURING THE YEAR, THE DIVISION VICE PRESIDENT AND THE PRESIDENT/CEO, OR THE BOARD OF DIRECTORS SHALL DETERMINE WHETHER A CONFLICT OF INTEREST EXISTS AND WHETHER THE PROPOSED TRANSACTION MAY BE APPROVED. THE CONFLICT OF INTEREST TRANSACTION MAY NOT BE APPROVED UNLESS SUCH PERSON(S) OR BODY DETERMINES, IN THE EXERCISE OF GOOD FAITH JUDGMENT, THAT THE PROPOSED TRANSACTION IS FAIR AND REASONABLE AND, IF UNDERTAKEN, DOES NOT UNDERMINE OR CONFLICT WITH THE ORGANIZATION'S MISSION. IN EVERY CASE, THE INDIVIDUAL INVOLVED IN THE CONFLICT OF INTEREST WILL BE EXCLUDED FROM THE DISCUSSION AND APPROVAL OF THE PROPOSED TRANSACTION. DISCLOSURES AND PROCEEDINGS RELATED TO CONFLICTS OF INTEREST ARE DOCUMENTED IN THE MEETING MINUTES.

FORM 990, PART VI, SECTION B, LINE 15:

ANNUALLY, THE BOARD EXECUTIVE COMMITTEE REVIEWS THE COMPENSATION OF THE PRESIDENT AND CEO. THE HUMAN RESOURCE DIRECTOR PROVIDES THE BOARD EXECUTIVE COMMITTEE WITH NONPROFIT EXECUTIVE DIRECTOR COMPENSATION STUDIES. THESE STUDIES INCLUDE THE ANNUAL MINNEAPOLIS STAR TRIBUNE COMPENSATION REPORT FOR SOCIAL SERVICE EXECUTIVES AND THE MINNESOTA COUNCIL OF NONPROFIT SALARY SURVEY, WITH COMPENSATION INFORMATION PRESENTED ACCORDING TO THE BUDGET LEVEL OF THE ORGANIZATION. THE EXECUTIVE COMMITTEE DETERMINES THE COMPENSATION FOR THE CEO AND DOCUMENTS DELIBERATIONS IN MEETING MINUTES. THIS PROCESS WAS LAST CONDUCTED IN 2014 FOR THE PRESIDENT & CEO, K. MATTER.

THE COMPENSATION OF OTHER OFFICERS IS REVIEWED IN THREE WAYS. SALARY LEVELS ARE ESTABLISHED BASED ON A REVIEW OF THE MINNESOTA COUNCIL OF NON PROFITS

|  |  |
|--|--|
| Name of the organization<br>RESOURCE, INC. | Employer identification number<br>41-0828779 |
|--|--|

ANNUAL MINNESOTA NONPROFIT SALARY AND BENEFITS SURVEY. ALSO, ALL SALARY LEVELS ARE REVIEWED ANNUALLY BY THE HUMAN RESOURCE DIRECTOR, ALONG WITH THE AGENCY'S POSITION CLASSIFICATION SYSTEM. PROPOSED ADJUSTMENTS TO THE SALARY SCHEDULE ARE PRESENTED TO THE BOARD EXECUTIVE COMMITTEE FOR REVIEW AND APPROVAL. INDIVIDUAL COMPENSATION REVIEWS ARE THE RESPONSIBILITY OF THE KEY EMPLOYEE'S SUPERVISOR, UTILIZING THE CLASSIFICATION SYSTEM SALARY SCHEDULE AND ADJUSTING SALARIES FOR MERIT INCREASES BASED ON PERFORMANCE AS THE ANNUAL PERFORMANCE APPRAISALS ARE CONDUCTED. THIS PROCESS WAS MOST RECENTLY UNDERTAKEN IN 2014 FOR EXECUTIVE LEADERSHIP AND ALL OTHER EMPLOYEES.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS AVAILABLE TO THE PUBLIC. THE ORGANIZATION DOES MAKE ITS CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE ON THE ORGANIZATION'S WEBSITE AND UPON REQUEST.







**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

|  | Yes | No |
|--|-----|----|
| <b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity |     | X  |
| <b>b</b> Gift, grant, or capital contribution to related organization(s)                                 |     | X  |
| <b>c</b> Gift, grant, or capital contribution from related organization(s)                               | X   |    |
| <b>d</b> Loans or loan guarantees to or for related organization(s)                                      |     | X  |
| <b>e</b> Loans or loan guarantees by related organization(s)   |     | X  |
| <b>f</b> Dividends from related organization(s)  |     | X  |
| <b>g</b> Sale of assets to related organization(s)   |     | X  |
| <b>h</b> Purchase of assets from related organization(s)   |     | X  |
| <b>i</b> Exchange of assets with related organization(s)   |     | X  |
| <b>j</b> Lease of facilities, equipment, or other assets to related organization(s)                      |     | X  |
| <b>k</b> Lease of facilities, equipment, or other assets from related organization(s)                    |     | X  |
| <b>l</b> Performance of services or membership or fundraising solicitations for related organization(s)  | X   |    |
| <b>m</b> Performance of services or membership or fundraising solicitations by related organization(s)   |     | X  |
| <b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)   |     | X  |
| <b>o</b> Sharing of paid employees with related organization(s)  |     | X  |
| <b>p</b> Reimbursement paid to related organization(s) for expenses                                      |     | X  |
| <b>q</b> Reimbursement paid by related organization(s) for expenses                                      |     | X  |
| <b>r</b> Other transfer of cash or property to related organization(s)                                   |     | X  |
| <b>s</b> Other transfer of cash or property from related organization(s)                                 |     | X  |

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

| (a)<br>Name of related organization                    | (b)<br>Transaction type (a-s) | (c)<br>Amount involved | (d)<br>Method of determining amount involved |
|--|-------------------------------|------------------------|--|
| HELP ENABLE ADDICTS/ALCOHOLICS RECEIVE TREATMENT, INC. | C                             | 233,500                | BOOK VALUE                                   |
|  |                               |                        |  |
|  |                               |                        |  |
|  |                               |                        |  |
|  |                               |                        |  |
|  |                               |                        |  |





**RESOURCE, INC. AND SUBSIDIARY**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

**RESOURCE, INC. AND SUBSIDIARY  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

|  |          |
|--|----------|
| <b>INDEPENDENT AUDITORS' REPORT</b>                                    | <b>1</b> |
| <b>CONSOLIDATED FINANCIAL STATEMENTS</b>                               |          |
| <b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>                   | <b>3</b> |
| <b>CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS</b> | <b>4</b> |
| <b>CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSE</b>                   | <b>5</b> |
| <b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>                           | <b>7</b> |
| <b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>                      | <b>8</b> |



CliftonLarsonAllen

CliftonLarsonAllen LLP  
CLAAconnect.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
RESOURCE, Inc. and Subsidiary  
Minneapolis, Minnesota

We have audited the accompanying consolidated financial statements of RESOURCE, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of activities and changes in net assets, functional expense, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
RESOURCE, Inc. and Subsidiary

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of RESOURCE, Inc. and Subsidiary as of December 31, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis-of-Matter Regarding a Correction of an Error***

As described in Note 11 to the consolidated financial statements, an understatement of beginning net assets for the year ended December 31, 2013 was discovered. Accordingly, beginning net assets for the year ended December 31, 2013 was restated to correct the error. Our opinion is not modified with respect to the matter.

**Report on Consolidating Information**

Our audit was conducted for the purpose of forming an opinion on the 2014 consolidated financial statements as a whole. The 2014 consolidating statement of financial position and statement of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
June 10, 2015

**RESOURCE, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**

| ASSETS   | 2014          | (As Restated)<br>2013 |
|--|---------------|-----------------------|
| <b>CURRENT ASSETS</b>  |               |                       |
| Cash and Cash Equivalents  | \$ 340,270    | \$ 2,671,005          |
| Accounts Receivable (Less Allowance for Doubtful Accounts<br>of \$68,933 in 2014 and \$71,610 in 2013) | 4,564,936     | 2,963,598             |
| Pledges Receivable (Less Allowance for Doubtful Accounts<br>of \$-0- in 2014 and \$6,885 in 2013)      | 110,732       | 196,846               |
| Prepaid Expenses   | 368,011       | 256,310               |
| Investments  | 475,786       | 118,911               |
| Total Current Assets   | 5,859,735     | 6,206,670             |
| <b>OTHER ASSETS</b>  |               |                       |
| Real Estate Assessments  | 68,530        | 72,562                |
| Charitable Remainder Unitrust  | 226,109       | -                     |
| Unemployment Trust   | 481,721       | 516,727               |
| Pledges Receivable Non-Current   | 12,320        | 41,680                |
| Property and Equipment, Net  | 5,003,001     | 5,316,865             |
| Total Other Assets   | 5,791,681     | 5,947,834             |
| Total Assets   | \$ 11,651,416 | \$ 12,154,504         |
| <b>LIABILITIES AND NET ASSETS</b>  |               |                       |
| <b>CURRENT LIABILITIES</b>   |               |                       |
| Accounts Payable   | \$ 845,535    | \$ 435,573            |
| Accrued Expense  | 1,703,948     | 1,641,440             |
| Notes Payable - Current  | 176,215       | 168,980               |
| Capital Leases Payable - Current   | 37,769        | 37,769                |
| Refundable Advances  | 123,508       | 161,900               |
| Deferred Revenue   | 152,151       | 453,498               |
| Funds Held for Others  | 1,398         | 1,398                 |
| Total Current Liabilities  | 3,040,524     | 2,900,558             |
| <b>LONG-TERM LIABILITIES</b>   |               |                       |
| Notes Payable - Long-Term  | 3,819,286     | 3,992,775             |
| Capital Leases Payable - Long-Term   | 7,445         | 45,215                |
| Asset Retirement Obligation  | 109,619       | 104,399               |
| Total Long-Term Liabilities  | 3,936,350     | 4,142,389             |
| Total Liabilities  | 6,976,874     | 7,042,947             |
| <b>NET ASSETS</b>  |               |                       |
| Unrestricted Net Assets  | 3,952,423     | 4,185,679             |
| Temporarily Restricted Net Assets  | 718,869       | 922,628               |
| Permanently Restricted Net Assets  | 3,250         | 3,250                 |
| Total Net Assets   | 4,674,542     | 5,111,557             |
| Total Liabilities and Net Assets   | \$ 11,651,416 | \$ 12,154,504         |

See accompanying Notes to Consolidated Financial Statements



**RESOURCE, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

|  | 2014                |                        | 2013 (Restated)        |                     |                     |                        |                        |                     |
|--|---------------------|------------------------|------------------------|---------------------|---------------------|------------------------|------------------------|---------------------|
|  | Unrestricted        | Temporarily Restricted | Permanently Restricted | Total               | Unrestricted        | Temporarily Restricted | Permanently Restricted | Total               |
| <b>SUPPORT AND REVENUE</b>   |                     |                        |                        |                     |                     |                        |                        |                     |
| Government Contracts   | \$ 16,334,376       | \$ -                   | \$ -                   | \$ 16,334,376       | \$ 16,380,252       | \$ -                   | \$ -                   | \$ 16,380,252       |
| Program Service Fees - Government  | 4,133,911           | -                      | -                      | 4,133,911           | 3,684,432           | -                      | -                      | 3,684,432           |
| Program Service Fees - Non-Government  | 4,419,376           | -                      | -                      | 4,419,376           | 4,056,090           | -                      | -                      | 4,056,090           |
| Contributions (including In-Kinds of \$192,441 and \$142,466 in 2014 and 2013, Respectively) | 354,323             | 495,563                | -                      | 849,886             | 180,543             | 904,000                | -                      | 1,084,543           |
| United Way   | 835,631             | -                      | -                      | 835,631             | 862,613             | -                      | -                      | 862,613             |
| Acquisition Gain (NOTE 9)  | 384,431             | 208,956                | -                      | 593,387             | -                   | -                      | -                      | -                   |
| Change In Value of Trust   | -                   | 17,153                 | -                      | 17,153              | -                   | -                      | -                      | -                   |
| Interest Income  | 22,644              | -                      | -                      | 22,644              | 11,036              | -                      | -                      | 11,036              |
| Miscellaneous  | 95,637              | -                      | -                      | 95,637              | 60,957              | -                      | -                      | 60,957              |
| Net Assets Released from Restriction   | 925,431             | (925,431)              | -                      | -                   | 695,750             | (695,750)              | -                      | -                   |
| Total Support and Revenue  | 27,505,760          | (203,759)              | -                      | 27,302,001          | 25,931,673          | 208,250                | -                      | 26,139,923          |
| <b>EXPENSE</b>   |                     |                        |                        |                     |                     |                        |                        |                     |
| Program Services:  |                     |                        |                        |                     |                     |                        |                        |                     |
| Minnesota Resource Center  | 1,644,710           | -                      | -                      | 1,644,710           | 1,597,168           | -                      | -                      | 1,597,168           |
| Employment Action Center   | 9,449,365           | -                      | -                      | 9,449,365           | 9,455,812           | -                      | -                      | 9,455,812           |
| RESOURCE Chemical and Mental Health  | 13,597,542          | -                      | -                      | 13,597,542          | 12,544,137          | -                      | -                      | 12,544,137          |
| Total Program Services   | 24,691,617          | -                      | -                      | 24,691,617          | 23,597,117          | -                      | -                      | 23,597,117          |
| Support Services:  |                     |                        |                        |                     |                     |                        |                        |                     |
| Management and General   | 2,806,689           | -                      | -                      | 2,806,689           | 1,882,309           | -                      | -                      | 1,882,309           |
| Fundraising  | 240,710             | -                      | -                      | 240,710             | 194,872             | -                      | -                      | 194,872             |
| Total Support Services   | 3,047,399           | -                      | -                      | 3,047,399           | 2,077,181           | -                      | -                      | 2,077,181           |
| Total Expense  | 27,739,016          | -                      | -                      | 27,739,016          | 25,674,298          | -                      | -                      | 25,674,298          |
| <b>CHANGE IN NET ASSETS</b>  | (233,256)           | (203,759)              | -                      | (437,015)           | 257,375             | 208,250                | -                      | 465,625             |
| Net Assets - Beginning of Year, As Restated  | 4,185,679           | 922,628                | 3,250                  | 5,111,557           | 3,928,304           | 714,378                | 3,250                  | 4,645,932           |
| <b>NET ASSETS - END OF YEAR</b>  | <b>\$ 3,952,423</b> | <b>\$ 718,869</b>      | <b>\$ 3,250</b>        | <b>\$ 4,674,542</b> | <b>\$ 4,185,679</b> | <b>\$ 922,628</b>      | <b>\$ 3,250</b>        | <b>\$ 5,111,557</b> |

See accompanying Notes to Consolidated Financial Statements

**RESOURCE, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE**  
**YEAR ENDED DECEMBER 31, 2014**

|                                 | 2014                           |   |                              |                           | Support Services          |             |                              | Total<br>All<br>Services |
|---------------------------------|--------------------------------|---|------------------------------|---------------------------|---------------------------|-------------|------------------------------|--------------------------|
|                                 | Program Services               |   | Support Services             |                           | Management<br>and General | Fundraising | Total<br>Support<br>Services |                          |
| Minnesota<br>Resource<br>Center | Employment<br>Action<br>Center | RESOURCE<br>Chemical and<br>Mental Health | Total<br>Program<br>Services | Management<br>and General |                           |             |                              | Fundraising              |
| Salaries                        | \$ 805,364                     | \$ 4,779,879                              | \$ 6,600,086                 | \$ 12,185,329             | \$ 954,951                | \$ 152,221  | \$ 1,107,172                 | \$ 13,292,501            |
| Payroll Taxes                   | 76,114                         | 437,774                                   | 610,020                      | 1,123,908                 | 47,128                    | 13,895      | 60,823                       | 1,184,731                |
| Employee Benefits               | 140,803                        | 1,007,171                                 | 1,300,344                    | 2,448,318                 | 104,397                   | 18,853      | 123,750                      | 2,572,068                |
| Total Personnel Costs           | 1,022,281                      | 6,224,824                                 | 8,510,450                    | 15,757,555                | 1,106,976                 | 184,769     | 1,291,745                    | 17,049,300               |
| Assistance Provided to          |                                |   |                              |                           |                           |             |                              |                          |
| Individuals                     | 23,504                         | 1,432,291                                 | 1,596,175                    | 3,051,970                 | 566                       | 412         | 978                          | 3,052,948                |
| Professional Fees               | 240,437                        | 395,931                                   | 776,953                      | 1,413,321                 | 1,251,229                 | 30,864      | 1,282,093                    | 2,695,414                |
| Occupancy                       | 179,725                        | 733,599                                   | 1,331,830                    | 2,245,154                 | 52,003                    | 5,530       | 57,533                       | 2,302,687                |
| Supplies                        | 44,898                         | 110,034                                   | 167,182                      | 322,114                   | 21,520                    | -           | 21,620                       | 343,734                  |
| Interest Expense                | 1,091                          | 36,648                                    | 135,912                      | 173,651                   | 6,458                     | 534         | 6,992                        | 180,643                  |
| Telephone                       | 11,236                         | 56,573                                    | 117,323                      | 185,132                   | 11,247                    | 667         | 11,904                       | 197,036                  |
| Postage and Shipping            | 2,873                          | 31,995                                    | 8,383                        | 43,251                    | 3,471                     | 433         | 3,904                        | 47,155                   |
| Printing and Publications       | 4,959                          | 17,703                                    | 11,482                       | 34,144                    | 40,675                    | 3,771       | 44,446                       | 78,590                   |
| Local Transportation            | 17,625                         | 47,653                                    | 172,960                      | 238,238                   | 2,923                     | 317         | 3,240                        | 241,478                  |
| Conferences and Meetings        | 10,193                         | 38,558                                    | 67,156                       | 115,907                   | 40,365                    | 4,897       | 45,862                       | 161,769                  |
| Equipment Purchases             | 6,186                          | 52,693                                    | 55,904                       | 114,783                   | 5,836                     | 644         | 6,480                        | 121,263                  |
| Equipment Rental                | 11,922                         | 42,098                                    | 42,329                       | 96,349                    | 31,672                    | 1,644       | 33,316                       | 129,665                  |
| Equipment Maintenance           | 6,007                          | 45,009                                    | 41,626                       | 92,642                    | 3,939                     | 337         | 4,276                        | 96,918                   |
| Insurance                       | 1,407                          | 2,160                                     | 19,787                       | 23,354                    | 104,118                   | 164         | 104,282                      | 127,636                  |
| Membership Dues                 | 15,642                         | 15,478                                    | 15,027                       | 46,147                    | 4,440                     | 335         | 4,775                        | 50,922                   |
| Uncollectable Accounts          | 2,181                          | -   | 179,902                      | 182,083                   | 53,332                    | -           | 53,332                       | 235,415                  |
| Depreciation                    | 35,638                         | 142,409                                   | 314,663                      | 492,710                   | 21,415                    | 4,119       | 25,534                       | 518,244                  |
| Other Expense                   | 6,905                          | 23,709                                    | 32,498                       | 63,112                    | 43,804                    | 1,283       | 45,087                       | 108,199                  |
| Total Expense                   | \$ 1,644,710                   | \$ 9,449,365                              | \$ 13,597,542                | \$ 24,691,617             | \$ 2,806,689              | \$ 240,710  | \$ 3,047,399                 | \$ 27,739,016            |

See accompanying Notes to Consolidated Financial Statements

**RESOURCE, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE  
YEAR ENDED DECEMBER 31, 2013**

|                           | 2013 (Restated)                 |                                |   |                              |                           |                  |                              |                          |  |  |
|---------------------------|---------------------------------|--------------------------------|---|------------------------------|---------------------------|------------------|------------------------------|--------------------------|--|--|
|                           | Program Services                |                                |   |                              |                           | Support Services |                              |                          |  |  |
|                           | Minnesota<br>Resource<br>Center | Employment<br>Action<br>Center | RESOURCE<br>Chemical and<br>Mental Health | Total<br>Program<br>Services | Management<br>and General | Fundraising      | Total<br>Support<br>Services | Total<br>All<br>Services |  |  |
| Salaries                  | \$ 778,488                      | \$ 4,697,996                   | \$ 6,182,847                              | \$ 11,659,331                | \$ 1,009,747              | \$ 62,617        | \$ 1,072,364                 | \$ 12,731,695            |  |  |
| Payroll Taxes             | 70,589                          | 415,069                        | 548,280                                   | 1,033,938                    | 89,355                    | 5,376            | 94,731                       | 1,128,669                |  |  |
| Employee Benefits         | 136,558                         | 1,013,090                      | 1,289,349                                 | 2,438,997                    | 214,246                   | 13,303           | 227,549                      | 2,666,546                |  |  |
| Total Personnel Costs     | 985,635                         | 6,126,155                      | 8,020,476                                 | 15,132,266                   | 1,313,348                 | 81,296           | 1,394,644                    | 16,526,910               |  |  |
| Assistance Provided to    |                                 |                                |   |                              |                           |                  |                              |                          |  |  |
| Individuals               | 16,721                          | 1,659,037                      | 1,515,107                                 | 3,190,865                    | -                         | 893              | 893                          | 3,191,758                |  |  |
| Professional Fees         | 199,993                         | 246,562                        | 511,965                                   | 958,520                      | 210,928                   | 67,305           | 278,233                      | 1,236,753                |  |  |
| Occupancy                 | 185,176                         | 735,841                        | 1,163,818                                 | 2,084,835                    | 47,994                    | 3,112            | 51,106                       | 2,135,941                |  |  |
| Supplies                  | 47,858                          | 148,365                        | 227,100                                   | 423,323                      | 30,215                    | 1,084            | 31,299                       | 454,622                  |  |  |
| Interest Expense          | 1,171                           | 38,586                         | 137,416                                   | 177,173                      | 8,401                     | 470              | 8,871                        | 186,044                  |  |  |
| Telephone                 | 12,903                          | 57,750                         | 111,913                                   | 182,566                      | 9,704                     | 1,008            | 10,712                       | 193,278                  |  |  |
| Postage and Shipping      | 3,413                           | 30,368                         | 7,901                                     | 41,682                       | 5,695                     | 94               | 5,789                        | 47,471                   |  |  |
| Printing and Publications | 4,132                           | 23,196                         | 9,655                                     | 36,983                       | 29,108                    | 4,188            | 33,296                       | 70,279                   |  |  |
| Local Transportation      | 18,599                          | 52,879                         | 185,792                                   | 257,270                      | 3,565                     | 225              | 3,790                        | 261,060                  |  |  |
| Conferences and Meetings  | 16,020                          | 35,458                         | 56,460                                    | 107,938                      | 49,953                    | 24,675           | 74,628                       | 182,566                  |  |  |
| Equipment Purchases       | 7,517                           | 63,625                         | 63,572                                    | 134,714                      | 7,774                     | 233              | 8,007                        | 142,721                  |  |  |
| Equipment Rental          | 5,708                           | 23,326                         | 28,432                                    | 57,466                       | 5,561                     | 398              | 5,959                        | 63,425                   |  |  |
| Equipment Maintenance     | 4,986                           | 34,796                         | 39,927                                    | 79,709                       | 17,331                    | 4,147            | 21,478                       | 101,187                  |  |  |
| Insurance                 | 1,911                           | 10,039                         | 34,734                                    | 46,684                       | 78,002                    | 196              | 78,198                       | 124,882                  |  |  |
| Uncollectible Accounts    | 5,579                           | 11,843                         | 9,132                                     | 26,554                       | 12,700                    | -                | 12,700                       | 39,254                   |  |  |
| Membership Dues           | 555                             | -                              | 104,913                                   | 105,468                      | -                         | -                | -                            | 105,468                  |  |  |
| Depreciation              | 74,887                          | 131,798                        | 277,648                                   | 484,333                      | 25,386                    | 4,358            | 29,744                       | 514,077                  |  |  |
| Other Expense             | 4,404                           | 26,188                         | 38,176                                    | 68,768                       | 26,644                    | 1,190            | 27,834                       | 96,602                   |  |  |
| Total Expense             | \$ 1,597,168                    | \$ 9,455,812                   | \$ 12,544,137                             | \$ 23,597,117                | \$ 1,882,309              | \$ 194,872       | \$ 2,077,181                 | \$ 25,674,298            |  |  |

See accompanying Notes to Consolidated Financial Statements

**RESOURCE, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

|   | <u>2014</u>        | <u>2013 (Restated)</u> |
|---|--------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                    |                        |
| Change in Net Assets  | \$ (437,015)       | \$ 465,625             |
| Adjustments to Reconcile Change in Net Assets to<br>Net Cash Provided (Used) by Operating Activities: |                    |                        |
| Acquisition Gain (NOTE 10)  | (593,387)          | -                      |
| Realized Gain   | (3,929)            | (684)                  |
| Unrealized (Gain) Loss on Sale of Investments   | (9,857)            | 662                    |
| Loss on Disposal of Property and Equipment  | -                  | 1,083                  |
| Costs on Real Estate Assessments  | 4,032              | 8,141                  |
| Change in Value of Charitable Remainder Unitrust  | (17,153)           | -                      |
| Change in Value of Unemployment Trust   | 35,006             | (177,614)              |
| Depreciation  | 518,244            | 514,077                |
| Uncollectible Accounts  | 235,415            | 105,468                |
| (Increase) Decrease in Current Assets:  |                    |                        |
| Accounts Receivable   | (1,836,753)        | (126,140)              |
| Pledges Receivable  | 115,474            | (72,958)               |
| Prepaid Expense   | (110,902)          | 16,189                 |
| Increase (Decrease) in Current Liabilities:   |                    |                        |
| Accounts Payable  | 409,962            | 226,283                |
| Accrued Expenses  | 62,508             | 166,073                |
| Refundable Advances   | (38,392)           | (75,668)               |
| Deferred Revenue  | (301,347)          | 83,779                 |
| Funds Held for Others   | -                  | (4,053)                |
| Net Cash Provided (Used) by Operating Activities  | <u>(1,962,874)</u> | <u>1,144,479</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                    |                        |
| Purchase of Property and Equipment  | (204,380)          | (631,796)              |
| Purchase of Investments   | (208,750)          | (121,050)              |
| Proceeds from Sale of Investments   | 249,293            | 43,114                 |
| Net Cash Used by Investing Activities   | <u>(163,837)</u>   | <u>(709,732)</u>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                    |                        |
| Principal Payments on Capital Leases Payable  | (37,770)           | (30,594)               |
| Principal Payments on Notes Payable   | (166,254)          | (159,312)              |
| Net Cash Used by Financing Activities   | <u>(204,024)</u>   | <u>(189,906)</u>       |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | (2,330,735)        | 244,841                |
| Cash and Cash Equivalents - Beginning   | <u>2,671,005</u>   | <u>2,426,164</u>       |
| <b>CASH AND CASH EQUIVALENTS - ENDING</b>   | <u>\$ 340,270</u>  | <u>\$ 2,671,005</u>    |
| <b>SUPPLEMENTAL INFORMATION</b>   |                    |                        |
| Cash Paid for Interest  | <u>\$ 180,643</u>  | <u>\$ 186,044</u>      |
| In-Kind Contributions of Services   | <u>\$ 192,441</u>  | <u>\$ 142,466</u>      |
| Capital Lease for Purchase of Property and Equipment  | <u>\$ -</u>        | <u>\$ 113,578</u>      |

See accompanying Notes to Consolidated Financial Statements

**RESOURCE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organizational Purpose**

RESOURCE, Inc. (the Organization) is a nonprofit organization whose mission is to empower people to achieve greater personal, social and economic success. The Organization offers a variety of services through its divisions:

Minnesota Resource Center – Provides employer-driven career training programs and job placement services for people with disabilities or other barriers to employment.

Employment Action Center – Provides employment services, education and family-support services to low-income adults, youth, and families to ensure economic success, academic achievement, and family stability.

RESOURCE Chemical and Mental Health – Supports men, women and families in recovery through integrated, trauma-informed care-access, treatment, recovery support and care coordination-to help them achieve wellness and life-long recovery.

As described in Note 10, the Organization acquired Help Enable Alcoholics/Addicts Receive Treatment, Inc. (HEART, Inc.) during the year ended December 31, 2014 whose focus is to support people with chemical dependency struggling with financial hardships. This Organization is considered part of the RESOURCE Chemical and Mental Health.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of RESOURCE, Inc. and HEART, Inc. All significant intercompany balances and transactions have been eliminated.

**Financial Statement Presentation**

Net assets and revenues, gains, and losses are classified based on donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control. Designated amounts represent amounts which the board has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time.

Permanently Restricted – This classification includes net assets that have been restricted by donors that stipulate the resources be maintained permanently by the Organization.

**RESOURCE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are stated at net realizable value. The Organization provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Payment is required 30 days after receipt of the invoice. Accounts past due are individually analyzed for collectability. An allowance is provided for accounts when a significant pattern of uncollectability has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance.

**Promises-to-Give (Pledges Receivable)**

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Pledges receivable at December 31, 2014 are expected to be received through 2020.

**Investments**

Investments are stated at fair value. Realized and unrealized gains and losses are reflected in the statement of activities. At times, the investment portfolio may be invested in cash equivalents.

**Property and Equipment**

All major expenditures for property and equipment that are over \$5,000 are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation, which includes the amortization of assets recorded under capital leases, is provided through the use of the straight-line method over the estimated useful lives.

**Charitable Remainder Unitrust**

HEART, Inc. is part of a Trust Agreement for which they are the beneficiary upon the death of the owner of the Trust Estate.

**Unemployment Trust**

The Organization has an unemployment trust agreement for which they make contributions. These contributions cover future claims from former employees.

RESOURCE, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Asset Retirement Obligations**

The Organization owns buildings that contain asbestos floor tiles. At this time, the Organization has no plans to renovate or demolish these buildings. In accordance with standards relating to *Accounting for Conditional Asset Retirement Obligations*, the Organization accrued a liability for the fair value of future costs to remediate environmental hazards related to certain property. The Organization uses a future value rate assumption of 5% and discounted the estimate to present value using a risk-free rate of return of 3%. The potential environmental remediation liability is reported on the statement of financial position as an asset retirement obligation in the amount of \$109,619 and \$104,399 at December 31, 2014 and 2013, respectively.

**Government Contracts**

Government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

**Contributions**

Contributions are recorded as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as temporarily or permanently restricted until the donor-imposed restrictions expire or are fulfilled. Temporarily restricted net assets are reclassified to unrestricted in the period donor-imposed restrictions expire or are fulfilled and are reported in the statements of activities and changes in net assets under the support and revenue category - net assets released from restrictions.

**In-Kind Contributions**

Contributions of donated noncash assets are recorded at their fair values in the period received. Contribution of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period receive. The contributions presented on the accompanying statements of activities and changes in net assets include contributed materials and services valued at \$192,441 and \$142,466 for the years ended December 31, 2014 and 2013, respectively.

**Functional Allocation of Expense**

Salaries and related expenses are allocated based on time spent and program assignments. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting services, are allocated based on time and occupancy percentages.

RESOURCE, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Risks and Uncertainties**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

**Federal Income Taxes**

The Organization is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. As such, it is subject to federal and state income taxes on net unrelated business income. The Organization currently has no unrelated business income.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions and files as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the Internal Revenue Service (IRS).

**Fair Value Measurements**

The Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the Statements of Financial Position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over the-counter markets.

*Level 2* – Financial assets and liabilities are valued using inputs quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, and corporate debt securities.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds and real estate.



**RESOURCE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

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

|                             | 2014              |             |             |                   |
|-----------------------------|-------------------|-------------|-------------|-------------------|
|                             | Level 1           | Level 2     | Level 3     | Total             |
| Money Market                | \$ 103,520        | \$ -        | \$ -        | \$ 103,520        |
| Mutual Funds - Equities     | 165,622           | -           | -           | 165,622           |
| Mutual Funds - Fixed Income | 139,868           | -           | -           | 139,868           |
| Mutual Funds - Other        | 66,776            | -           | -           | 66,776            |
| <b>Total</b>                | <b>\$ 475,786</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 475,786</b> |
|                             | 2013              |             |             |                   |
|                             | Level 1           | Level 2     | Level 3     | Total             |
| Mutual Funds - Bonds        | \$ -              | \$ 118,911  | \$ -        | \$ 118,911        |

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. The carrying amounts for cash, receivables, accounts payable, accrued expenses, and capital lease payable approximate fair value due to the short maturity of these instruments. Long-term lease payable carrying amounts also approximate fair value due to same interest rate that could be obtained. For disclosure purposes, the fair value of notes payable is based on the comparable municipal bond rates. Under this method, the fair value of the Organization's notes payable approximates carrying value.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 10, 2015, the date the financial statements were available to be issued.

**NOTE 2 CONCENTRATIONS**

**Significant Concentrations of Credit Risk**

The Organization provides services primarily within the Twin Cities area. The amounts due for services provided are from individuals, substantially all of which are local residents or their third-party payers. In addition, accounts and pledges receivable are primarily from local residents, governments or institutions.

**Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**

At various times during 2014 and 2013, the Organization held funds at a local financial institution in excess of federally insured limits.

**RESOURCE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 3 INVESTMENTS**

Following is a summary of fair value of investments:

|                             | <u>2014</u>       | <u>2013</u>       |
|-----------------------------|-------------------|-------------------|
| Money Market                | \$ 103,520        | \$ -              |
| Mutual Funds - Equities     | 165,622           | -                 |
| Mutual Funds - Fixed Income | 139,868           | -                 |
| Mutual Funds - Other        | 66,776            | -                 |
| Mutual Funds - Bonds        | -                 | 118,911           |
|                             | <u>\$ 475,786</u> | <u>\$ 118,911</u> |

**NOTE 4 PROPERTY AND EQUIPMENT**

The Organization owns the following as of December 31:

|   | <u>2014</u>         | <u>2013</u>         |
|---|---------------------|---------------------|
| Land  | \$ 411,408          | \$ 411,408          |
| Buildings and Leasehold Improvements        | 7,509,133           | 7,485,009           |
| Equipment and Furniture                     | 2,318,687           | 2,174,036           |
| Construction in Progress                    | 50,662              | 15,027              |
| Total                                       | <u>10,289,890</u>   | <u>10,085,480</u>   |
| Less: Accumulated Depreciation/Amortization | <u>(5,286,889)</u>  | <u>(4,768,615)</u>  |
| Property and Equipment, Net                 | <u>\$ 5,003,001</u> | <u>\$ 5,316,865</u> |

Depreciation expense was \$518,244 and \$514,077 for the years ended December 31, 2014 and 2013, respectively.

**RESOURCE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 5 NOTES PAYABLE**

Notes payable consists of the following at December 31:

| <u>Description</u>  | <u>2014</u>         | <u>2013</u>         |
|---|---------------------|---------------------|
| 2010 tax exempt revenue bond issued by Minneapolis Community Development Agency, secured by certain land, buildings, and improvements; payable to Bremer Bank in monthly amounts of \$18,596 including interest of 4.2% fixed until rate re-set in 2015. Last payment and all remaining principal and interest due in 2020.   | \$ 2,542,810        | \$ 2,659,480        |
| 2011 note payable, issued through Bremer Bank, secured by certain land, buildings, and improvements; interest was the reference rate 3.25% (which is announced by the bank from time to time) plus one half percent (.5%) until the conversion date which was June 31, 2012; after the conversion date the interest rate is 4.22% fixed for a five year period. The unpaid principal and interest shall be due and payable July 31, 2017. | <u>1,452,691</u>    | <u>1,502,275</u>    |
| Total   | 3,995,501           | 4,161,755           |
| Less: Portion Due Within One Year   | <u>(176,215)</u>    | <u>(168,980)</u>    |
| Long-Term Portion   | <u>\$ 3,819,286</u> | <u>\$ 3,992,775</u> |

Principal payments required are as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u>       |
|---------------------------------|---------------------|
| 2015                            | \$ 176,215          |
| 2016                            | 183,760             |
| 2017                            | 1,463,605           |
| 2018                            | 134,365             |
| 2019                            | 140,117             |
| 2020                            | <u>1,897,439</u>    |
| Total                           | <u>\$ 3,995,501</u> |

Subsequent to year end, the Organization entered into a new debt with Bremer Bank in the amount of \$289,000. This debt is expected to mature July 31, 2017.

**RESOURCE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 6 LEASED FACILITIES AND EQUIPMENT**

Rental commitments under noncancelable leases for building and equipment in effect at December 31, 2014 total \$2,586,261. The future annual rental commitments are as follows:

| <u>Year Ending December 31,</u> | <u>Building</u>     | <u>Equipment</u>  | <u>Total</u>        |
|---------------------------------|---------------------|-------------------|---------------------|
| 2015                            | \$ 831,817          | \$ 59,426         | \$ 891,243          |
| 2016                            | 746,213             | 53,842            | 800,055             |
| 2017                            | 459,736             | 41,805            | 501,541             |
| 2018                            | 346,490             | 20,944            | 367,434             |
| 2019                            | 6,855               | 17,375            | 24,230              |
| Thereafter                      | -                   | 1,758             | 1,758               |
| Total                           | <u>\$ 2,391,111</u> | <u>\$ 195,150</u> | <u>\$ 2,586,261</u> |

The rental expense for the years ended December 31, 2014 and 2013 was \$1,532,557 and \$1,526,289, respectively.

**NOTE 7 CAPITAL LEASES**

The Organization leases certain office equipment under noncancelable leases which expires on April 1, 2016. The leases are capitalized and secured by equipment in the amount of \$96,654 at December 31, 2014 and 2013, less accumulated depreciation of \$35,440 and \$16,109 at December 31, 2014 and 2013, respectively. The future payments on the new lease are as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u>   |
|---------------------------------|-----------------|
| 2015                            | \$ 38,194       |
| 2016                            | 7,357           |
| Total Payments                  | 45,551          |
| Less: Interest Expense          | 337             |
| Amounts Representing Principal  | 45,214          |
| Less: Current portion           | 37,769          |
| Long-Term Portion               | <u>\$ 7,445</u> |

Amortization expense of \$19,331 and \$16,109 is included in depreciation expense for the years ended December 31, 2014 and 2013, respectively.

**RESOURCE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 8 TEMPORARILY RESTRICTED NET ASSETS**

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

|  | <u>2014</u>       | <u>2013</u>       |
|--|-------------------|-------------------|
| Employment Action Center - General         | \$ 100            | \$ 20,638         |
| Employment Action Center - Operations      | 8,124             | 8,245             |
| Young Dads                                 | 54,211            | 7,661             |
| First Opportunity                          | 4,638             | 11,371            |
| Bright Futures                             | 11,427            | 15,423            |
| Women in Transition                        | 7,062             | 93,642            |
| Women Achieving New Directions             | 105,407           | 182,082           |
| Older Worker Financial Security            | -                 | 4,917             |
| Sectorial Employment Initiative            | 134,177           | 45,110            |
| Welfare to Work                            | -                 | 34,150            |
| Neighborhood House Collaborative           | 47,513            | 210,330           |
| Minnesota Resource Center                  | 8,017             | 8,017             |
| St. Cloud                                  | 47,697            | 3,898             |
| Spectrum Community Mental Health - General | 4,759             | 4,243             |
| Spectrum Artworks                          | 400               | 400               |
| Wellness for Life                          | -                 | 84,459            |
| Recovery Resource Center - General         | -                 | 7,484             |
| Recovery Resource Center - Housing         | -                 | 42,250            |
| Women's Housing Partnership                | -                 | 17,722            |
| Building Resilient Families                | -                 | 45,000            |
| Capacity Building                          | 6,500             | -                 |
| Achieving Dreams                           | 52,728            | 75,586            |
| Charitable Remainder Unitrust              | 226,109           | -                 |
| Total                                      | <u>\$ 718,869</u> | <u>\$ 922,628</u> |

**RESOURCE, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**NOTE 8 TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

Temporarily restricted net assets released from restriction related to the following programs for the years ended December 31:

|  | 2014       | 2013       |
|--|------------|------------|
| Employment Action Center - General         | \$ 20,538  | \$ 8,954   |
| Employment Action Center - Operations      | 121        | 444        |
| Young Dads                                 | 69,390     | 78,448     |
| New Chance                                 | -          | 989        |
| First Opportunity                          | 22,732     | 30,907     |
| Bright Futures                             | 36,996     | 8,688      |
| Women in Transition                        | 86,580     | 212        |
| Older Worker Financial Security            | 4,917      | 50,881     |
| Sectorial Employment Initiative            | 60,933     | 69,813     |
| Women Achieving New Directions             | 159,615    | 45,552     |
| Neighborhood House Collaborative           | 137,817    | 49,670     |
| Career Strategies                          | -          | 1,233      |
| Welfare to Work                            | 34,150     | 18,796     |
| Jobs for Vets                              | -          | 961        |
| Minnesota Resource Center                  | -          | 2,029      |
| Training Services                          | -          | 51,101     |
| St. Cloud                                  | 76,201     | 70,998     |
| Wellness for Life                          | 89,459     | 65,541     |
| Spectrum Community Mental Health - General | 516        | 4,452      |
| Women's Housing Partnership                | 17,722     | 22,793     |
| Spectrum Artworks                          | -          | 6,227      |
| Charaka CSP                                | -          | 400        |
| Recovery Resource Center - General         | 7,494      | 542        |
| Recovery Resource Center - Housing         | 42,250     | 50,000     |
| United Way MARFU                           | -          | 9,085      |
| Building Resilient Families                | 57,500     | 10,000     |
| Capacity Building                          | -          | 11,302     |
| Achieving Dreams                           | 500        | 25,732     |
| Total                                      | \$ 925,431 | \$ 695,750 |

**RESOURCE, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 9 EMPLOYEE RETIREMENT PLAN**

The Organization maintains a 401(k) retirement plan for employees. Employees are allowed to make voluntary contributions immediately after six months of employment. The Organization matches employee contributions up to 2% of compensation for employees who have completed 1,000 or more hours of services. The Organization pays a discretionary contribution for employees who have completed 1,000 or more hours of service and were employed at the end of the year. The total expense for years ended December 31, 2014 and 2013 was \$359,940 and \$460,331, respectively.

**NOTE 10 ASSET TRANSFER ACQUISITION**

Effective May 22, 2014, RESOURCE, Inc. acquired another nonprofit organization, HEART, Inc. This acquisition resulted in a gain to RESOURCE, Inc. in the amount of \$593,387. This amount represented the net gain when acquiring all assets and liabilities of HEART, Inc. Included below is a table of the assets and liabilities that were acquired as part of this transaction:

|                               | Unrestricted      | Temporarily<br>Restricted | Total             |
|-------------------------------|-------------------|---------------------------|-------------------|
| Cash                          | \$ 6,044          | \$ -                      | \$ 6,044          |
| Prepaid Expenses              | 799               | -                         | 799               |
| Investments                   | 386,059           | -                         | 386,059           |
| Charitable Remainder Unitrust | -                 | 208,956                   | 208,956           |
| Total Assets                  | <u>\$ 392,902</u> | <u>\$ 208,956</u>         | <u>\$ 601,858</u> |
| Accounts Payable              | \$ 3,491          | \$ -                      | \$ 3,491          |
| Accrued Expenses              | 4,980             | -                         | 4,980             |
| Total Liabilities             | <u>\$ 8,471</u>   | <u>\$ -</u>               | <u>\$ 8,471</u>   |
| Net Acquisition Gain          | <u>\$ 384,431</u> | <u>\$ 208,956</u>         | <u>\$ 593,387</u> |

**NOTE 11 RESTATEMENT**

The December 31, 2013 consolidated financial statements were restated to properly record an unemployment trust that the Organization had in existence for a number of years but had not properly recorded as a prepaid asset. The correction of the 2013 financial statements resulted in an increase in assets of \$516,727, an increase in change of unrestricted net assets of \$177,614, an increase in beginning unrestricted net assets of \$339,113 and an increase in ending unrestricted net assets of \$516,727.