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Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2014

- 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.

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning, 2014, and ending, 2014, and ending, 20

Form header section including B (Check if applicable), C (Name of organization XPOSURE FOUNDATION INC), D (Employer identification no 26-0160228), E (Telephone number (347) 418-6534), F (Name and address of principal officer), H(a) (Is this a group return for subordinates?), H(b) (Are all subordinates included?), H(c) (Group exemption number), J (Website www.xposurefoundationinc.org), K (Form of organization Corporation), L (Year of formation 2007), M (State of legal domicile NY)

Part I Summary

Table with 3 main sections: Activities & Governance (lines 1-7), Revenue (lines 8-12), and Expenses (lines 13-19). Includes a table for Net Assets or Fund Balances (lines 20-22) with columns for Prior Year and Current Year.

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.

Signature block section with fields for Sign Here, Signature of officer (RAYMOND L THOMAS JR), Date (5/15/15), and Type or print name and title (RAYMOND L THOMAS JR, EXECUTIVE DIRECTOR).

Paid Preparer Use Only section with fields for Pprint/Type preparer's name (ROWAN CREARY), Preparer's signature (ROWAN CREARY), Date (05-15-2015), Check self-employed, PTIN (P00952643), Firm's name (R Creary CPA PC), Firm's address (138-80A 241st Street, Rosedale NY 11422), Firm's EIN, and Phone no (718-706-6768).

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

For Paperwork Reduction Act Notice, see the separate instructions.

Vertical stamp: JUN 16 2015

Handwritten number: 916

**Part III Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission  
**XPOSURE'S OVERALL GOAL IS TO EXPOSE STUDENTS TO LIFE SKILLS IN THE AREA OF SCIENCE, TECHNOLOGY, FINANCE, EMPLOYMENT/ WORK ETHIC, COMMUNITY SERVICE, FITNESS AND NUTRITION.**

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  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  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 \$ 550,608 including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)  
See SERVICES page for a description of this program service.

4b (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

4c (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

4d Other program services (Describe in Schedule O )  
(Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

4e Total program service expenses ▶ 550,608

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1 through 20b regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 21 through 38 regarding organizational reporting, compensation, tax-exempt bonds, and Schedule O completion.

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

Table with columns for question number, description, and Yes/No checkboxes. Includes rows for backup withholding (1a-1c), employee reporting (2a-2b), unrelated business income (3a-3b), foreign accounts (4a-4b), prohibited tax shelter transactions (5a-5c), annual gross receipts (6a-6b), organizations receiving deductible contributions (7a-7h), sponsoring organizations (8-9), and section 501(c)(7) and (12) organizations (10-11).

**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**

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 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		
1a	6		
b	Enter the number of voting members included in line 1a, above, who are independent		
1b	6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
10b			
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
12c		X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official		X
b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

**Section C. Disclosure**

17	List the states with which a copy of this Form 990 is required to be filed	▶ NY
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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	▶ RAYMOND L THOMAS JR (347)418-6534, 121-16 97TH AVE, South Richmond Hill, NY 11419-1321

**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) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) 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) YVETTE MCKENZIE SECRETARY	4.00	X					0	0	0	
(2) MICHELE RULNICK TREASURER	4.00	X					0	0	0	
(3) MICHELLE STODDART BOARD CHAIR	4.00	X					0	0	0	
(4) CHRISTINA COLON TRUSTEE	4.00	X					0	0	0	
(5) DARLENE DUKES TRUSTEE	3.00	X					0	0	0	
(6) GEORGE MOSES TRUSTEE	3.00	X					0	0	0	
(7) RAYMOND L THOMAS JR EXECUTIVE DIRECTOR	60.00			X			33,194	0	14,708	
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) -----	-----									
(16) -----	-----									
(17) -----	-----									
(18) -----	-----									
(19) -----	-----									
(20) -----	-----									
(21) -----	-----									
(22) -----	-----									
(23) -----	-----									
(24) -----	-----									
(25) -----	-----									
<b>1b Sub-total</b> . . . . .										
<b>c Total from continuation sheets to Part VII, Section A</b> . . . . .										
<b>d Total (add lines 1b and 1c)</b> . . . . .							33,194	0	14,708	

**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 **▶** 0

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual . . . . .		X
<b>4</b> 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
<b>5</b> 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) Name and business address	(B) Description of services	(C) Compensation

**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 **▶**

**Part VIII Statement of Revenue**

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>					
	<b>b</b> Membership dues . . . . .	<b>1b</b>					
	<b>c</b> Fundraising events . . . . .	<b>1c</b>					
	<b>d</b> Related organizations . . . . .	<b>1d</b>					
	<b>e</b> Government grants (contributions) . .	<b>1e</b>	380,835				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	154,627				
	<b>g</b> Noncash contributions included in lines 1a-1f \$						
	<b>h Total.</b> Add lines 1a-1f . . . . . ▶		535,462				
<b>Program Service Revenue</b>	<b>2a</b> _____ <b>Business Code</b>						
	<b>b</b> _____						
	<b>c</b> _____						
	<b>d</b> _____						
	<b>e</b> _____						
	<b>f</b> All other program service revenue . . . . .						
	<b>g Total.</b> Add lines 2a-2f . . . . . ▶						
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		6	6			
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . ▶						
	<b>5</b> Royalties . . . . . ▶						
	<b>6a</b> Gross rents . . . . .	(i) Real	(ii) Personal				
		<b>b</b> Less rental expenses . . . . .					
		<b>c</b> Rental income or (loss) . . . . .					
		<b>d</b> Net rental income or (loss) . . . . . ▶					
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		<b>b</b> Less cost or other basis and sales expenses . . . . .					
		<b>c</b> Gain or (loss) . . . . .					
		<b>d</b> Net gain or (loss) . . . . . ▶					
	<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	<b>a</b>					
		<b>b</b> Less direct expenses . . . . .	<b>b</b>				
		<b>c</b> Net income or (loss) from fundraising events . . . . . ▶					
	<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>					
		<b>b</b> Less direct expenses . . . . .	<b>b</b>				
		<b>c</b> Net income or (loss) from gaming activities . . . . . ▶					
	<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
<b>b</b> Less cost of goods sold . . . . .		<b>b</b>					
<b>c</b> Net income or (loss) from sales of inventory . . . . . ▶							
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11a</b> _____							
<b>b</b> _____							
<b>c</b> _____							
<b>d</b> All other revenue . . . . .							
<b>e Total.</b> Add lines 11a-11d . . . . . ▶							
<b>12 Total revenue.</b> See instructions . . . . . ▶			535,468	6	0	0	

**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) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) 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 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 . . . . .	33,194	28,846	4,348	
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 . . . . .	294,990	256,346	38,644	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . .				
9 Other employee benefits . . . . .				
10 Payroll taxes . . . . .	50,465	43,501	6,964	
11 Fees for services (non-employees)				
a Management . . . . .				
b Legal . . . . .				
c Accounting . . . . .	7,200		7,200	
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 Schedule O) . .	9,198	2,715	6,483	
12 Advertising and promotion . . . . .				
13 Office expenses . . . . .	13,751	4,813	8,938	
14 Information technology . . . . .	14,182	10,920	3,262	
15 Royalties . . . . .				
16 Occupancy . . . . .				
17 Travel . . . . .				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19 Conferences, conventions, and meetings . . . . .	29,293	23,141	6,152	
20 Interest . . . . .				
21 Payments to affiliates . . . . .				
22 Depreciation, depletion, and amortization . . . . .	13,496		13,496	
23 Insurance . . . . .	17,824	1,307	16,517	
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>BANK FILINGS AND CREDIT CARD</b>	964		964	
b <b>PROJECTS</b>	77,119	77,119		
c <b>PROGRAM SUPPLIES</b>	27,850	24,229	3,621	
d <b>CONTRACTORS/STIPENDS</b>	82,629	77,671	4,958	
e All other expenses				
25 <b>Total functional expenses.</b> Add lines 1 through 24e .	672,155	550,608	121,547	0
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 <input type="checkbox"/> 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)		(B)		
		Beginning of year		End of year		
Assets	1	Cash - non-interest-bearing	64,646	1	35,540	
	2	Savings and temporary cash investments		2		
	3	Pledges and grants receivable, net		3		
	4	Accounts receivable, net		4	68,520	
	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 instructions) Complete Part II of Schedule L		6		
	7	Notes and loans receivable, net	53,686	7		
	8	Inventories for sale or use		8		
	9	Prepaid expenses and deferred charges	1,175	9		
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	182,447		
	b	Less accumulated depreciation	10b	90,787	10c	91,660
	11	Investments - publicly traded securities		11		
	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		15		
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	137,865	16	195,720		
Liabilities	17	Accounts payable and accrued expenses		17	18,735	
	18	Grants payable		18		
	19	Deferred revenue		19		
	20	Tax-exempt bond liabilities		20		
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21		
	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		24	66,179	
	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		25	136,000	
	26	<b>Total liabilities.</b> Add lines 17 through 25	0	26	220,914	
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>					
	27	Unrestricted net assets	137,865	27	(25,194)	
	28	Temporarily restricted net assets		28		
	29	Permanently restricted net assets		29		
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>					
	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>	137,865	33	(25,194)		
34	<b>Total liabilities and net assets/fund balances</b>	137,865	34	195,720		

**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	535,468
2	Total expenses (must equal Part IX, column (A), line 25)	2	672,155
3	Revenue less expenses Subtract line 2 from line 1	3	(136,687)
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	137,865
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	(26,372)
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	(25,194)

**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 checked="" type="checkbox"/> Cash <input 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? . . . . . 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		X
2b	Were the organization's financial statements audited by an independent accountant? . . . . . 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 checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
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? . . . . . If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
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 . . . . .		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**  
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No 1545-0047

**2014**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.

**Open to Public Inspection**

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

Name of the organization

Employer identification number

XPOSURE FOUNDATION INC

26-0160228

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations: \_\_\_\_\_
  - g Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
<b>Total</b>						

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 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

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2010, (b) 2011, (c) 2012, (d) 2013, (e) 2014, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2010, (b) 2011, (c) 2012, (d) 2013, (e) 2014, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc; 13 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

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f)) - 66.52%; 15 Public support percentage from 2013 Schedule A, Part II, line 14 - 84.00%; 16a 33 1/3% support test - 2014; 16b 33 1/3% support test - 2013; 17a 10%-facts-and-circumstances test - 2014; 17b 10%-facts-and-circumstances test - 2013; 18 Private foundation.

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

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2010, (b) 2011, (c) 2012, (d) 2013, (e) 2014, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2010, (b) 2011, (c) 2012, (d) 2013, (e) 2014, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income; 13 Total support (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

Table with 2 columns: Description, Percentage. Row 15: Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f)) 15 %; Row 16: Public support percentage from 2013 Schedule A, Part III, line 15 16 %

Section D. Computation of Investment Income Percentage

Table with 2 columns: Description, Percentage. Row 17: Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f)) 17 %; Row 18: Investment income percentage from 2013 Schedule A, Part III, line 17 18 %

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

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

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.

2014

Attach to Form 990.

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization

XPOSURE FOUNDATION INC

Employer identification number

26-0160228

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 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements.

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

Table with 2 columns: Revenue, Assets. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items, 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items, 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items.

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

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?

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?
b If "Yes," explain the arrangement in Part XIII and complete the following table
c Beginning balance
d Additions during the year
e Distributions during the year
f Ending balance
2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?
b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

Part V Endowment Funds.

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

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g Balance and expense categories.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
a Board designated or quasi-endowment %
b Permanent endowment %
c Temporarily restricted endowment %
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
(i) unrelated organizations
(ii) related organizations
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
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.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a-1e Land, Buildings, Leasehold improvements, Equipment, Other. Total: 91,660

**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> (Column (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> (Column (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) CONTRACT ADVANCES	136,000
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total</b> (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	136,000

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	535,468
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	535,468
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	535,468

**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	672,155
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	672,155
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	672,155

**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.

**01. Footnote for uncertain tax position under FIN 48 (Part X)**

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES PROVIDE ACCOUNTING AND DISCLOSURE GUIDANCE ABOUT POSITIONS TAKEN BY AN ORGANIZATION IN ITS TAX RETURN THAT MIGHT BE UNCERTAIN. MANAGEMENT HAS CONSIDERED ITS TAX POSITIONS AND BELIEVES THAT ALL OF THE POSITIONS TAKEN BY THE ORGANIZATION IN ITS FEDERAL AND STATE EXEMPT ORGANIZATION TAX RETURNS ARE MORE LIKELY THAN NOT TO BE SUSTAINED UPON EXAMINATION.

THE ORGANIZATION'S FORM 990 AND OTHER INCOME TAX FILINGS REQUIRED BY STATE AND LOCAL TAX AUTHORITIES ARE NO LONGER SUBJECT TO TAX EXAMINATION FOR YEARS BEFORE 2011.

**SCHEDULE L**  
**(Form 990 or 990-EZ)**

**Transactions With Interested Persons**

OMB No 1545-0047

**2014**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, of Form 990-EZ, Part V, line 38a or 40b.**  
▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **Information about Schedule L (Form 990 or 990EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

**Open to Public Inspection**

Name of the organization

Employer identification number

XPOSURE FOUNDATION INC

26-0160228

**Part I Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$ \_\_\_\_\_

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

1	(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
				To	From			Yes	No	Yes	No	Yes	No
(1)													
(2)													
(3)													
(4)													
(5)													
<b>Total</b> . . . . . ▶							\$						

**Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27

1	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)					
(2)					
(3)					
(4)					
(5)					

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2014



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service  
Name of the organization

**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**

XPOSURE FOUNDATION INC

Employer identification number

26-0160228

**01. Form 990 governing body review (Part VI, line 11)**

PRESIDENT AND CEO RAYMOND THOMAS JR PERFORMS A PRELIMINARY REVIEW OF FORM 990 AND  
SUPPLEMENTAL SCHEDULES. ALL CHANGES ARE MADE AND A FINAL REVIEW IS PERFORMED WITH BOARD  
AND CPA. FINAL FORM 990 IS SUBMITTED TO BOARD FOR SECOND SIGNOFF.

**02. Conflict of interest policy compliance (Part VI, line 12c)**

The purpose of this Board conflict of interest policy is to protect Xposure Foundation  
Inc.'s (Xposure) interest when it is contemplating entering into a transaction or  
arrangement that might benefit the private interests of an officer or director of Xposure  
or might result in a possible excess benefit transaction.

Each director, principal officer and member of a committee with Board delegated powers  
shall annually sign a statement which affirms such person: (a) has received a copy of the  
conflict of interest policy (b) has read and understands the policy (c) has agreed to  
comply with the policy, and d) Understands Xposure is charitable and in order to maintain  
its federal tax exemption it must engage primarily in activities, which accomplish 1 or  
more of its tax-exempt purposes.

**03. Governing documents, etc, available to public (Part VI, line 19)**

ALL GOVERNING DOCUMENTS BOOKS AND RECORDS ARE MAINTAINED AT 121-16 97TH AVE SOUTH RICHMOND  
HILL NEW YORK AND ARE AVAILABLE UPON REQUEST.

# Depreciation and Amortization (Including Information on Listed Property)

**2014**

Department of the Treasury  
Internal Revenue Service (99)

▶ **Attach to your tax return.**

▶ **Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).**

Attachment  
Sequence No **179**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

XPOSURE FOUNDATION INC

FORM 990 - 1

26-0160228

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I

1	Maximum amount (see instructions) . . . . .	1	
2	Total cost of section 179 property placed in service (see instructions) . . . . .	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions) . . . . .	3	
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0- . . . . .	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions . . . . .	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29 . . . . .	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7 . . . . .	8	
9	Tentative deduction Enter the <b>smaller</b> of line 5 or line 8 . . . . .	9	
10	Carryover of disallowed deduction from line 13 of your 2013 Form 4562 . . . . .	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . .	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11 . . . . .	12	
13	Carryover of disallowed deduction to 2015 Add lines 9 and 10, less line 12 ▶ . . . . .	13	

**Note:** Do not use Part II or Part III below for listed property Instead, use Part V

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) . . . . .	14	
15	Property subject to section 168(f)(1) election . . . . .	15	
16	Other depreciation (including ACRS) . . . . .	16	8,506

**Part III MACRS Depreciation (Do not include listed property) (See instructions)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2014 . . . . .	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . . <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2014 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property	#50					
b 5-year property <b>Statement</b>						4,990
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			27 5 yrs	MM	S/L	
			39 yrs	MM	S/L	

**Section C - Assets Placed in Service During 2014 Tax Year Using the Alternative Depreciation System**

20a	Class life				S/L	
b	12-year		12 yrs		S/L	
c	40-year		40 yrs	MM	S/L	

**Part IV Summary (See instructions)**

21	Listed property Enter amount from line 28 . . . . .	21	
22	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instructions . . . . .	22	13,496
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .	23	

**For Paperwork Reduction Act Notice, see separate instructions.**

Statement of Program Service Accomplishments

2014 01

Names(s) as shown on return

Your Social Security Number

XPOSURE FOUNDATION INC

26-0160228

Form 990, Part III(a)

Program Service Code	
Program Service Expenses	\$550608
Grants and allocations included in above expense	\$0
Program Services Revenue	\$0

Explanation

BROADCASTING FUN FINANCE RADIO - THIS SCHOOL YEAR XPOSURE BUILT PROPRIETARY SCHOOL BASED INTERNET RADIO TV STATIONS THAT ALLOW STUDENTS TO CREATE RADIO SHOWS FOCUSING ON A WIDE RANGE OF TOPICS INCLUDING SCHOOL CULTURE, FINANCIAL LITERACY, TEEN ISSUES, POP CULTURE AND OTHER SUBJECT MATTER IMPORTANT TO THEM. "GIRLS WITH KNOWLEDGE' IS ONE EXAMPLE OF A RADIO SHOW WE DESIGNED THAT PROVIDES A PLATFORM FOR TEENAGE GIRLS TO DISCUSS TOPICS AND ISSUES IMPORTANT TO THEM. MUSIC PRODUCTION - XPOSURE BUILT PROPRIETARY MINI SCHOOL-BASED MUSIC STUDIOS THAT ALLOW STUDENTS TO WRITE, PERFORM AND PRODUCE MUSIC CENTERING ON A WIDE RANGE OF TOPICS FROM FINANCIAL LITERACY TO SCHOOL BULLYING. ANIMATION/ 3D MODELING - WE ENHANCED THIS POPULAR OFFERING THAT TEACHES STUDENTS THE BASICS OF ANIMATION INCLUDING STOP MOTION 3D ANIMATION. STUDENTS ALSO LEARN THE BASICS OF 3D MODELING INCLUDING DEVELOPING, RIGGING AND TEXTURIZING CHARACTERS. FINANCIAL LITERACY - THIS SCHOOL YEAR THE WALL STREET WARRIORS FINANCIAL POWER PROGRAM ("WSW") WAS INTRODUCED. WSW IS A SPECIALLY DESIGNED RITES-OF-PASSAGE STYLED FINANCIAL LITERACY COURSE THAT HELPS PARTICIPANTS UNDERSTAND THE POWER OF SAVING AND INVESTING. STUDENTS LEAN BY ACTUALLY OPENING AND MAINTAINING THEIR OWN BANK SAVINGS ACCOUNT (CUSTODIAL ACCOUNT). IN ADDITION THEY OPEN THEIR VERY OWN ONLINE INVESTMENT ACCOUNT WHERE THEY WILL HAVE AN OPPORTUNITY TO PURCHASE ACTUAL SHARES OF FORTUNE 500 COMPANIES (CUSTODIAL ACCOUNT). THE WSW ALSO FEATURES AN ENTREPRENEURIAL COMPONENT WHICH PROVIDES STUDENTS WITH AN OPPORTUNITY TO OPERATE THEIR OWN BUSINESS. BUSINESSES STUDENTS HAVE STARTED INCLUDE: TUTORING, HANDMADE FASHIONS, VIDEO GAMES, AND TASTY TREATS. TECHNOLOGY - STUDENTS ARE EXPOSED TO A WIDE RANGE OF TECHNOLOGY PROGRAMMING INCLUDING ROBOTICS, ELECTRONICS, GOOGLE GLASSES, DRONES, ETC...OUR 3-STEP TECHNOLOGY/ COMMUNICATIONS MODEL CHALLENGES STUDENTS TO LEARN HOW TO COMMUNICATE EFFECTIVELY BY PLACING A STRONG EMPHASIS ON READING, WRITING, LISTENING, AND SPEAKING. DANCE - THIS SCHOOL YEAR WE INTRODUCED THE ECLECTIC DANCERS. THE ECLECTIC DANCERS IS A DANCE/LEADERSHIP DEVELOPMENT TROUPE DESIGNED TO BUILD SELF-ESTEEM AND PROVIDE A SENSE OF SELF-EMPOWERMENT THROUGH HIP HOP, MODERN AND OTHER FORMS OF DANCE.

**Federal Supporting Statements**

**2014** PG01

Name(s) as shown on return

FEIN

XPOSURE FOUNDATION INC

26-0160228

FORM 4562 - LINE 19B

Statement #50

<u>BASIS</u>	<u>RP</u>	<u>CV</u>	<u>METHOD</u>	<u>DEDUCTION</u>
18,800	5	MQ	SL	3,290
67,998	5	MQ	SL	<u>1,700</u>
TOTAL				<u><u>4,990</u></u>

# **Xposure Foundation Inc.**

Financial Statements

Years Ended December 31, 2014 and  
2013

**XPOSURE FOUNDATION INC.  
DECEMBER 31, 2014 AND 2013**

**TABLE OF CONTENTS**

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	<b>Pages</b>
INDEPENDENT AUDITOR’S REPORT.....	1-2
 <b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position .....	3
Statements of Activities.....	4
Statements of Cash Flows.....	5
Statements of Functional Expenses.....	6
Notes to Financial Statements.....	7



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Xposure Foundation Inc.  
Queens, New York

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Xposure Foundation Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**R. Creary, CPA, P.C.**  
Tel: (718) 706-6768

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## OPINION

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

*R. C. CPA, PC*

Queens, New York

May 14, 2015

# XPOSURE FOUNDATION INC.

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

<u>ASSETS:</u>	<u>NOTE</u>	<u>2014</u>	<u>2013</u>
Cash and Cash Equivalents	3	\$ 35,540	\$ 64,646
Accounts Receivable		2,400	-
Government Contracts Receivable	4	66,120	-
Prepaid Expense		-	1,175
Note Receivable	5	-	53,686
Net Property and Equipment	6	<u>91,660</u>	<u>18,358</u>
Total Assets		<u>\$ 195,720</u>	<u>\$ 137,865</u>
 <b><u>LIABILITIES AND NET ASSETS:</u></b>			
Payroll Taxes Payable		\$ 18,735	\$ -
Short-Term Loan	7	3,900	-
Note Payable	8	62,279	-
Contract Advances	9	<u>136,000</u>	<u>-</u>
Total Liabilities		<u>220,914</u>	<u>-</u>
 <b><u>NET ASSETS -</u></b>			
Unrestricted		<u>(25,194)</u>	<u>137,865</u>
Total Net Assets		<u>(25,194)</u>	<u>137,865</u>
Total Liabilities and Net Assets		<u>\$ 195,720</u>	<u>\$ 137,865</u>

**The Notes on Pages 7 to 14 are an Integral Part of These Financial Statements.**

**XPOSURE FOUNDATION INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31,**

		<u>2014</u>	<u>2013</u>
		<b>Unrestricted Net Assets</b>	<b>Unrestricted Net Assets</b>
<b><u>REVENUES, GAINS, AND OTHER SUPPORT:</u></b>	<b><u>NOTE</u></b>		
Government Contracts	4	\$ 380,835	\$ -
Contributions, Gifts and Grants		148,091	536,645
Other Income		6,536	-
Interest Income		<u>6</u>	<u>9</u>
Total Revenues, Gains, and Other Support		<u>535,468</u>	<u>536,654</u>
<b><u>EXPENSES:</u></b>			
Program Services		550,608	399,415
Supporting Services		<u>121,547</u>	<u>138,996</u>
<b>TOTAL EXPENSES</b>		<u>672,155</u>	<u>538,411</u>
Changes in Net Assets		(136,687)	(1,757)
<b>NET ASSETS, Beginning of Year</b>		<u>137,865</u>	<u>139,622</u>
<b>Prior Period Adjustment</b>	<b>10</b>	(26,372)	-
<b>NET ASSETS, End of Year</b>		<u>\$ (25,194)</u>	<u>\$ 137,865</u>

**The Notes on Pages 7 to 14 are an Integral Part of These Financial Statements.**

# XPOSURE FOUNDATION INC.

## STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED DECEMBER 31,

	<u>2014</u>	<u>2013</u>
<b>Cash Flows From Operating Activities:</b>		
Changes in Net Assets	\$ (136,687)	\$ (1,757)
Depreciation Expense	13,496	10,813
Adjustment to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	(26,372)	-
(Increase) Decrease in Assets:		
Accounts Receivable	(2,400)	-
Government Contracts Receivable	(66,120)	-
Prepaid Expense	1,175	(36)
Note Receivable	53,686	29,896
Increase (Decrease) in Liabilities:		
Payroll Taxes Payable	18,735	-
Short-Term Loan	3,900	-
Note Payable	62,279	-
Contract Advances	<u>136,000</u>	<u>-</u>
Net Cash Used by Operating Activities	<u>57,692</u>	<u>38,916</u>
<b>Cash flows from investing activities:</b>		
Purchase of Property and Equipment	<u>(86,798)</u>	<u>-</u>
Net Cash (Used in) Investing Activities	<u>(86,798)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(29,106)	38,916
Cash and Cash Equivalents at Beginning of Year	<u>64,646</u>	<u>25,730</u>
Cash and Cash Equivalents at End of Year	<u>\$ 35,540</u>	<u>\$ 64,646</u>

**No Supplemental Disclosure of Cash and Cash Equivalent Information**

**The Notes on Pages 7 to 14 are an Integral Part of These Financial Statements.**

**XPOSURE FOUNDATION INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

	2014				2013			
	Program Services		Supporting Services		Program Services		Supporting Services	
	Xposure After School Programs	Total	Management and General	Total	Xposure After School Programs	Total	Management and General	Total
Salaries, Wages, and Benefits	\$ 285,192	\$ 328,184	\$ 42,992	\$ 328,184	\$ 140,349	\$ 41,923	\$ 182,272	
Payroll Taxes	<u>43,501</u>	<u>50,465</u>	<u>6,964</u>	<u>50,465</u>	<u>15,598</u>	<u>4,686</u>	<u>20,284</u>	
<b>Total Personnel Costs</b>	328,693	378,649	49,956	378,649	155,947	46,609	202,556	
Bank, Filing and Credit Card Processing	-	964	964	964	-	2,638	2,638	
Computer, Web and Equipment Expense	10,920	14,182	3,262	14,182	18,956	4,447	23,403	
Depreciation	-	13,496	13,496	13,496	-	10,813	10,813	
Insurance	1,307	17,824	16,517	17,824	-	13,703	13,703	
Offices Supplies/Expense	4,813	13,751	8,938	13,751	-	16,850	16,850	
Payroll Processing Fees	2,715	3,196	481	3,196	1,924	607	2,531	
Program Projects	77,119	77,119	-	77,119	105,516	-	105,516	
Program Supplies	24,229	27,850	3,621	27,850	19,324	3,411	22,735	
Services and Professional Fees	-	7,200	7,200	7,200	-	7,200	7,200	
Storage	-	6,002	6,002	6,002	-	4,866	4,866	
Subcontractors/ Stipends	77,671	82,629	4,958	82,629	86,479	24,095	110,574	
Travel, Meetings and Conferences	<u>23,141</u>	<u>29,293</u>	<u>6,152</u>	<u>29,293</u>	<u>11,269</u>	<u>3,757</u>	<u>15,026</u>	
<b>Total Expenses</b>	<u>\$ 550,608</u>	<u>\$ 672,155</u>	<u>\$ 121,547</u>	<u>\$ 672,155</u>	<u>\$ 399,415</u>	<u>\$ 138,996</u>	<u>\$ 538,411</u>	

The Notes on Pages 7 to 14 are an Integral Part of These Financial Statements.

# XPOSURE FOUNDATION INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

---

### NOTE 1. PROGRAM SERVICES

Xposure Foundation Inc.'s organizational strategy (spearheaded by the Senior Management team: the Executive Director, the Director of Operations, the Educational Director and the Director of Marketing) focuses on the following key areas: curriculum development, quality improvement and after-school expansion.

#### **BELOW IS A BRIEF DESCRIPTION OF THE SENIOR MANAGEMENT TEAM IN SUPPORT OF THE EXECUTIVE DIRECTOR:**

**The Director of Operations** is responsible for the supervision of all Directors of Programs as well as overseeing the day-to-day operation of all program sites. The Director of Operations conducts scheduled and unscheduled site visits to review all areas of operation including but not limited to: enrollment, site relations, staffing, staff evaluations, programming, student engagement, student assessment. The Director of Operations also convenes daily and weekly meetings with all Directors of Programs to review program goals, outcomes and best practices.

**The Education Director** oversees the implementation of Xposure's curriculum. The Education Director ensures program goals are aligned with the short and long term goals of the Organization. The Education Director works closely with the Executive Director, the Director of Operations and the School Liaison to shape and mold curricula to meet student needs. The Education Director is responsible for training the Education Specialists on the implementation of the program design and curriculum. This includes: training teachers and support personnel, gathering resources including equipment and supplies, drafting program schedules, preparing and reviewing lesson plans, creating and conducting student, teacher and program assessments, as well as, establishing short-term program goals.

**The Director of Marketing** In partnership with the Executive Director is responsible for the Organization's growth and sustainability through project and relationship management, branding, marketing, media relations, fund-raising and resource development activities. The Director of Marketing is responsible for the planning, development and implementation of all program marketing strategies, marketing communications, and public relations activities, both external and internal. The Director of Marketing oversees the development and implementation of support materials and services for the programs in the area of marketing, content development, communications, outreach and expansion. The Director of Marketing works closely with Principals, Administrators, Program Directors, Programs Partners and Parents.

#### **PROGRAM QUALITY**

Xposure Foundation Inc. developed a set of program quality standards in 2007 to govern the physical environment, program safety, curriculum, life skills outcomes, enrollment/attendance as well as the level of staff and student engagement. Program quality is consistently monitored and maintained through our "BROKEN WINDOWS" strategy. The objective of this strategy is to train staff members to focus on the small things before they become large and affect program quality. By employing this strategy all staff members are tasked equally with focusing on the details to help maintain program quality.

## **NOTE 1. PROGRAM SERVICES (Continued)**

Staff members are to ensure students are wearing ID badges, signing in and out, keeping the environment clean and following safety procedures.

Below is a list of participant data we feel helps measure the true effectiveness of our programs.

**Tracking Enrollment** – Xposure Foundation Inc. has developed its own proprietary admissions and enrollment portal on our [www.xposureschools.com](http://www.xposureschools.com) website. Student's enrollment, demographic and emergency contact information is captured allowing us to closely monitor participation.

**Tracking Attendance** - Xposure Foundation Inc. requires each program site to input daily or weekly attendance data into our online attendance tracking system, KINDERLIME. This data is used to gauge whether program goals and contract obligations are being met.

**Tracking Parent Engagement** - Xposure Foundation Inc. tracks the number of parents opening custodial bank savings accounts and custodial investment accounts for their children. In an effort to promote parent/child partnerships and program engagement Xposure Foundation Inc. encourages parents to open accounts for their children so they can begin using the lessons learned through our financial literacy workshops. In addition this helps connect parents to the program, which in turn increases our retention rate.

**Tracking Student Savings Accounts and Investment Accounts** - Xposure Foundation Inc. tracks the number of students opening custodial bank savings accounts and custodial investment accounts. This measurement is a direct reflection of student involvement in financial literacy based projects.

## **PROGRAM MONITORING**

Below is a list of participant data we tracked in 2014 to help measure the effectiveness of our programs:

- **Enrollment** – We developed our own proprietary admissions and enrollment portal on our [www.xposureschools.com](http://www.xposureschools.com) website. Student's enrollment, demographic and emergency contact information is captured allowing us to closely monitor participation.
- **Attendance** - Xposure Foundation Inc. requires each program site to input daily and weekly attendance data into our online attendance tracking system, KINDERLIME. This data is used to gauge whether program goals and contract obligations are being met.
- **Tracking Parent Engagement** - Xposure Foundation Inc. tracks the number of parents opening custodial bank savings accounts and custodial investment accounts for their children. In an effort to promote parent / child partnerships and program engagement Xposure Foundation Inc encourages parents to open accounts for their children so they can begin using the lessons learned in our financial literacy workshops. This strategy helps connect parents to the program, which helps increase our retention rate.

## **PROGRAM INFRASTRUCTURE**

Xposure's overall goal is to expose students to life skills in the area of science, technology, finance, employment/work ethic, community service, fitness and nutrition. In 2014 we greatly enhanced our program offerings to help attract schools, CBO's and students.

## NOTE 1. PROGRAM SERVICES (Continued)

Below is a summary of our 2014 program offerings:

- **Broadcasting/Fun Finance Radio** – This school year Xposure built proprietary school-based internet Radio/TV stations that allow students to create radio shows focusing on a wide range of topics including school culture, financial literacy, teen issues, pop culture and other subject matter important to them. “**Girls With Knowledge**” is one example of a radio show we designed that provides a platform for teenage girls to discuss topics and issues important to them. The research, script writing and verbal skills used to produce this show and other student run shows enhance a variety of skillsets including: *ELA, MATH, TECHNOLOGY*
- **Music Production** – This school year Xposure built proprietary mini school-based music studios that allow students to write, perform and produce music centering on a wide range of topics ranging from Financial Literacy to School Bullying. Students enhance skillsets in the following areas: *ELA, MATH, TECHNOLOGY*
- **Animation/3D Modeling** – This school year we enhanced this popular offering that teaches students the basics of Animation including Stop Motion and 3D Animation. Students also learn the basics of 3D modeling including developing, rigging and texturizing characters. Students enhance skillsets in the following areas: *MATH, TECHNOLOGY*
- **Financial Literacy** – This school year **The Wall Street Warriors Financial Power Program** (“WSW”) was introduced. WSW is a specially designed rites-of-passage styled financial literacy course that helps participants understand the power of saving and investing. Students learn by actually opening and maintaining their very own bank savings account (custodial account). In addition they open their very own online investment account where they will have an opportunity to purchase actual shares of Fortune 500 companies (custodial account). The WSW also features an entrepreneurial component which provides students with an opportunity to operate their own business. Businesses students have started include: Tutoring, Handmade fashions, Video games, Tasty treats, etc. Students enhance skillsets in the following areas: *ELA, MATH, TECHNOLOGY*

**Technology** – Students are exposed to a wide range of technology programming including Robotics, Electronics, Google Glasses, Drones, etc. Our 3-step Technology/Communications model challenges students to learn how to communicate effectively by placing a strong emphasis on reading, writing, listening and speaking. Students enhance skillsets in the following areas: *ELA, MATH, TECHNOLOGY*

**Dance** – This school year we introduced the Eclectic Dancers. The Eclectic Dancers is a dance/leadership development troupe designed to build self-esteem and provide a sense of self-empowerment through Hip Hop, Modern and other forms of dance.

**NOTE 1. PROGRAM SERVICES (Continued)**

**PROGRAM EXPANSION**

In 2014 Xposure Foundation Inc. was awarded 3 new school based programs through Mayor Deblasio's middle-school afterschool initiatives. The programs are overseen through New York City's (DYCD) Dept of Youth and Community Development. These contracts were awarded for a period of 4 years. Two of the 3 programs were recently deemed, "EXEMPLARY" by DYCD and the American Institutes for Research. These programs are now part of a national study of best practices by Afterschool programs, the results of which will be shared nationally. Xposure was recently selected by 4 more schools to provide afterschool services.

**Xposure Foundation Inc.**  
**Afterschool and Community Based Programs**

<b>Location (School/Center)/DBN</b>	<b>Duration of the program (mm/yy-mm/yy)</b>	<b>Age Group (Middle School Grades and Above)</b>	<b>Number of Participants For program year</b>	<b>Number of Hours and Weeks for program year</b>
Greenburgh, N.Y. (Theodore D Young Community Center) Xposure Greenburgh	(09/08 - 06/15)	6-8	40	225 hours 30 weeks
Brooklyn, N.Y. Xposure Center for Community Alternatives	09/12 - Present	Ages 16-24	48	96 hours 48 weeks
Yonkers, N.Y. (Lanza Learning Center) Xposure LLC	(09/11-06/15)	6-8	12	360 hours 36 weeks
Brooklyn, N.Y. (PS 81 Thaddeus Stevens Elementary School) Xposure 81	(10/07-6/14)	K-5	80	225 Hours 30 Weeks
Brooklyn, N.Y. (PS 26 Jesse Owens School) Xposure 26	(10/10-6/14)	K-5	50	225 Hours 30 Weeks
Brooklyn, N.Y. (New Hope Academy Charter School) Xposure New Hope	(09/10-Present)	K-5	65	510 Hours 34 Weeks
P.S. 212 Contract #142197	(07/14 - 06/18)	6-8	90	540 hours 36 weeks
Satellite West Middle School Contract #142196	(07/14 - 06/18)	6-8	90	540 hours 36 weeks
Mott Hall Community School Contract #142094	(07/14 - 06/18)	6-8	91	540 hours 36 weeks

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Formation**

Xposure Foundation Inc. (the "Organization" or "Xposure") is a not-for-profit corporation established under the laws of the State of New York on May 14, 2007, and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) of the Internal Revenue Code.

### **Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) is the source of authoritative GAAP. Revenues are recorded when earned and expenses are recorded when materials are received or services are provided. Expenses incurred at calendar year-end have been accrued, and expenses applicable to future periods have been deferred.

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Cash and Cash Equivalents**

For financial reporting purposes, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist primarily of checking and savings accounts with less than 30-day maturities. At December 31, 2014 and 2013, the Organization maintained all of its cash equivalents at a highly credit quality financial institution.

### **Property and Equipment**

Property and equipment are recorded at cost. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets, which range from 3 to 5 years.

### **Fair Value of Financing Instruments**

The carrying value of cash and cash equivalents, accounts receivables and account payables approximate fair value due to their short-term maturities. Property and equipment are carried at original cost.

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Basis of Presentation**

The Organization is required to report information regarding its financial position and activities to three classes of net assets: unrestricted, temporarily restricted and permanently restricted depending on the existence and/or nature of any donor restrictions. As of December 31, 2014 and 2013, the Organization had only unrestricted net assets. Unrestricted net assets include contributions and other funding sources not subject to donor imposed stipulations.

### **Revenue Recognition**

The Organization recognizes support and revenue on the accrual basis of accounting. Revenues from contracts are recognized as revenues in the period which the service is provided.

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services in reasonable ratios determined by management.

### **Reclassification**

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation.

### **Subsequent Events**

Management of the Organization has evaluated events and transactions subsequent to December 31, 2014 for potential recognition or disclosure in the financial statements. The Organization had no subsequent events that required recognition or disclosure in the financial statements for the year ended December 31, 2014. Subsequent events have been evaluated through the date the financial statements became available to be issued, May 14, 2014. The Organization has not evaluated subsequent events after May 14, 2014.

## **NOTE 3. CASH AND CASH EQUIVALENTS**

Financial instruments that potentially subject the Organization to concentration of credit risk consists principally of cash and cash equivalents held at financial institution. Cash and cash equivalents may at times be in excess of the Federal Deposit Insurance Corporation ("FDIC") limits. As of December 31, 2014 and 2013, the FDIC limit is up to \$250,000, per depositor, per insured bank. At December 31, 2014 and 2013, the Organization's bank balances were fully FDIC insured.

## **NOTE 4. GOVERNMENT CONTRACTS RECEIVABLE**

The Organization received three four-year contracts in the amounts of \$1,080,000, 1,092,000 and 1,092,000 during the year ended December 31, 2014 through the New York City Department of Youth and Community Development (DYCD) Out of School Time ("OST") Middle School Expansion program for middle school students in grades six (6) through eight (8). Each contract is for the period July 1, 2014 through June 30, 2018.

**NOTE 4. GOVERNMENT CONTRACTS RECEIVABLE (Continued)**

Payments on the above contracts are based on a cost reimbursement basis and achievement of the performance targets.

As of December 31, 2014, the Organization has earned \$380,835, of the contract with \$66,120 in receivables.

**NOTE 5. NOTE RECEIVABLE**

During the year ended December 31, 2011, the Organization provided start-up funds totaling \$125,000 to the New Little Branches Daycare (NLB), an entity that shares an Executive Director with the Organization. During 2013, additional funding of \$89,224 was provided to NLB. The balance due the Organization at December 31, 2013, was \$53,686. The funds loaned to NLB were in the form of noninterest-bearing notes.

The imputed interest on the note is insignificant and is therefore not recorded in the financial statements.

**NOTE 6. NET PROPERTY AND EQUIPMENT**

The cost and related accumulated depreciation of the property and equipment as of December 31, consisted of the following:

	Balance January 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2014</u>	Balance December 31, <u>2013</u>
<b>Property and equipment</b>					
Technology/ computer equipment	\$ 79,429	\$ 67,998	\$ -	\$ 147,427	\$ 79,429
Web design	16,220	-	-	16,220	16,220
Radio equipment	-	18,800	-	18,800	-
<b>Total property and equipment</b>	<u>95,649</u>	<u>86,798</u>	<u>-</u>	<u>182,447</u>	<u>95,649</u>
<b>Less Accumulated Depreciation:</b>					
Technology/ computer equipment	(61,071)	(10,206)	-	(71,277)	(61,071)
Web design	(16,220)	-	-	(16,220)	(16,220)
Radio equipment	-	(3,290)	-	(3,290)	-
<b>Total Accumulated Depreciation</b>	<u>(77,291)</u>	<u>(13,496)</u>	<u>-</u>	<u>(90,787)</u>	<u>(77,291)</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>\$ 18,358</u>	<u>\$ 73,302</u>	<u>\$ -</u>	<u>\$ 91,660</u>	<u>\$ 18,358</u>

**Additions**

Major "Additions" during the current year the Organization spent \$18,800 on radio equipment and \$67,998 on the purchase of iPad's, Mac's and other technology equipment all used in administering after-school program

Depreciation expense for the years ended December 31, 2014 and 2013 was \$13,496 and \$10,813.

## **NOTE 7. SHORT-TERM LOAN**

The Organization received three short-term loans totaling \$27,200, from a Board member during the year. The loans carried a 5% per annum interest rate after 90 days. At December 31, 2014, the balance due on these short-term loans was \$3,900, with \$0 interest accrual.

## **NOTE 8. NOTES PAYABLE**

During the year the Organization provided and received short-term funds from NLB, an entity that shares Executive Director with the Organization (see Note 5). The Organization received \$129,822, repaying \$67,543. Thus, at December 31, 2014, the Organization owes \$62,279 to NLB.

The imputed interest expense on the note is insignificant and is therefore not recorded in the financial statements.

## **NOTE 9. CONTRACT ADVANCES**

The Organization received \$136,000 (\$45,000, \$45,500 and \$45,500) in start-up monies from its DYCD contracts (see Note 4) to purchase equipment and supplies necessary to program administration. The advances will be repaid with in quarterly deductions against March through June 2015 billings to DYCD.

## **NOTE 10. PRIOR PERIOD ADJUSTMENT**

Adjustment was made to prior period net assets to account for \$26,372, in 2013 unrecorded payroll taxes.

## **NOTE 11. COMMITMENTS AND CONTINGENCIES**

- ❖ The Organization has no leases on any of its New York City office facilities.
- ❖ The Organization rents storage space on a month-to-month basis as needed.

## **NOTE 12. UNCERTAINTY IN TAXES**

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

The Organization's form 990 and other income tax filings required by state and local tax authorities are no longer subject to tax examination for years before 2011.

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