



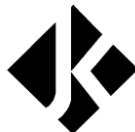
**ATLANTA, GEORGIA**

**REPORT ON AUDITS OF COMBINED  
FINANCIAL STATEMENTS**

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

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**INDEX TO COMBINED FINANCIAL STATEMENTS**  
**MARCH 31, 2015 AND 2014**

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**Jones and Kolb**  
**Certified Public Accountants**  
**Atlanta, Georgia**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
CoreNet Global, Inc. and  
Related Entities  
Atlanta, Georgia

We have audited the accompanying combined financial statements of CoreNet Global, Inc. and Related Entities (a nonprofit organization) (the "Organization"), which comprise the combined statements of financial position as of March 31, 2015 and 2014, and the related combined statements of activities and net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

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

Management is responsible for the preparation and fair presentation of these combined 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 the combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combined 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 combined financial statements.

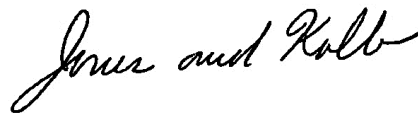
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of CoreNet Global, Inc. and Related Entities as of March 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedules of functional expenses on page 13 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

A handwritten signature in cursive script that reads "Jones and Kolb".

September 18, 2015

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2015 AND 2014**

**ASSETS**

	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,765,518	\$ 6,054,154
Investments	3,921,033	3,704,354
Accounts receivable	634,604	310,029
Prepaid expenses	429,293	592,634
	<u>10,750,448</u>	<u>10,661,171</u>
<b>PROPERTY</b>		
Furniture and fixtures	202,738	202,738
Computer and equipment	502,039	450,692
Leasehold improvements	73,757	73,757
Software and website	1,792,848	1,158,237
	<u>2,571,382</u>	<u>1,885,424</u>
Total	2,571,382	1,885,424
Accumulated depreciation	<u>(1,453,742)</u>	<u>(1,248,856)</u>
	<u>1,117,640</u>	<u>636,568</u>
<b>DEPOSITS</b>	<u>26,631</u>	<u>43,388</u>
	<u>\$ 11,894,719</u>	<u>\$ 11,341,127</u>

The accompanying notes to combined financial statements  
are an integral part of these statements.

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2015 AND 2014**

**LIABILITIES AND NET ASSETS**

	<u>2015</u>	<u>2014</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 693,169	\$ 547,724
Accrued liabilities	1,067,097	731,453
Deferred revenue	<u>4,433,383</u>	<u>5,017,405</u>
Total current liabilities	6,193,649	6,296,582
<b>NON-CURRENT ACCRUED LIABILITIES</b>	<u>244,766</u>	<u>275,621</u>
Total liabilities	<u>6,438,415</u>	<u>6,572,203</u>
<b>NET ASSETS</b>		
Unrestricted net assets	<u>5,456,304</u>	<u>4,768,924</u>
Total net assets	<u>5,456,304</u>	<u>4,768,924</u>
Total liabilities and net assets	<u><u>\$ 11,894,719</u></u>	<u><u>\$ 11,341,127</u></u>

The accompanying notes to combined financial statements  
are an integral part of these statements.

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**COMBINED STATEMENTS OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
Membership dues	\$ 4,295,005	\$ 3,809,109
North American summits	4,115,450	3,809,903
Learning revenues	2,852,659	3,094,082
Global operations	1,888,729	1,934,117
Advertising and publications	480,121	515,758
Member services	30,783	29,568
	<u>13,662,747</u>	<u>13,192,537</u>
<b>EXPENSES</b>		
Program expenses	8,231,829	7,725,218
Management and general	4,682,583	4,011,808
	<u>12,914,412</u>	<u>11,737,026</u>
<b>CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	748,335	1,455,511
<b>INVESTMENT GAINS</b>	<u>210,671</u>	<u>305,259</u>
<b>CHANGE IN NET ASSETS BEFORE FOREIGN CURRENCY GAINS (LOSSES)</b>	959,006	1,760,770
<b>FOREIGN CURRENCY GAINS (LOSSES)</b>	<u>(271,626)</u>	<u>120,954</u>
<b>CHANGE IN NET ASSETS</b>	687,380	1,881,724
<b>NET ASSETS</b>		
Beginning of year	<u>4,768,924</u>	<u>2,887,200</u>
<b>NET ASSETS</b>		
End of year	<u>\$ 5,456,304</u>	<u>\$ 4,768,924</u>

The accompanying notes to combined financial statements  
are an integral part of these statements.

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$ 687,380</u>	<u>\$ 1,881,724</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	210,628	132,552
Realized and unrealized (gains) losses on investments	(67,881)	(195,561)
(Increase) decrease in accounts receivable	(518,622)	153,402
(Increase) decrease in prepaid expenses	136,199	(87,481)
(Increase) decrease in deposits	16,757	(19,244)
Increase (decrease) in accounts payable	251,468	244,912
Increase (decrease) in accrued liabilities	318,700	25,672
Increase (decrease) in deferred revenue	<u>(520,912)</u>	<u>722,036</u>
Total adjustments	<u>(173,663)</u>	<u>976,288</u>
Net cash and cash equivalents provided by operating activities	<u>513,717</u>	<u>2,858,012</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for the purchases of property	(696,747)	(487,575)
Payments for the purchases of investments	(1,089,081)	(321,875)
Proceeds from the sales of investments	<u>940,283</u>	<u>243,665</u>
Net cash and cash equivalents used in investing activities	<u>(845,545)</u>	<u>(565,785)</u>

The accompanying notes to combined financial statements  
are an integral part of these statements.



**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(331,828)	2,292,227
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	43,192	(22,764)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	6,054,154	3,784,691
<b>CASH AND CASH EQUIVALENTS</b>		
End of year	\$ 5,765,518	\$ 6,054,154

The accompanying notes to combined financial statements  
are an integral part of these statements.

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. CoreNet Global, Inc. ("CoreNet") was incorporated on August 6, 2001 under the laws of the District of Columbia. CoreNet is a 501(c)(6) tax-exempt membership organization focused on education, research, certification (the masters of Corporate Real Estate), and networking for corporate real estate professionals. Corporate real estate professionals manage the real estate held by a corporation to support its core business, including acquisition, design and efficient use. CoreNet Global Community Reinvestment Challenge ("CRC"), formerly CoreNet Global Learning, was incorporated on July 2, 2002 under the laws of the District of Columbia. CRC is a 501(c)(3) tax-exempt organization that provides support and distributes contributions to local charitable organizations located in the various cities where CoreNet hosts its annual North American summit.

CoreNet Global EU was incorporated during 2009, under the laws of Brussels, Belgium, as a nonprofit foundation to promote corporate real estate management and corporate infrastructure management and to provide worldwide industry specific networking forums and state-of-the-art research, education and certification in the EMEA region. Its predecessor company, CoreNet Europe, is in the process of being terminated under the process set forward in Belgium law.

CoreNet Commercial Consulting (Shanghai) Co., Ltd. was established on September 24, 2012, under the laws of the People's Republic of China, as a wholly-owned Foreign Enterprise to expand CoreNet's operations to Asia. The People's Republic of China does not recognize a membership related organization as a not for profit corporation, but CoreNet Commercial Consulting (Shanghai) Co., Ltd. will conduct their operations to effectuate the mission of CoreNet Global and provide training and education regarding the practice of corporate real estate.

CoreNet Global (HK) Limited is a holding company designed to facilitate the establishment of CoreNet Commercial Consulting (Shanghai) Co., Ltd. and its parent company. CoreNet Global (HK) Limited is a subsidiary of CoreNet Global, Inc.

B. The combined financial statements include the accounts of CoreNet, CRC, CoreNet Global Europe, CoreNet Global EU, CoreNet Global (HK) Limited and CoreNet Commercial Consulting (Shanghai) Co. Ltd. (collectively, the "Organization"). All material intercompany transactions and balances have been eliminated in these combined financial statements. The combined financial statements do not include the accounts of the chapters of the Organization since the Organization does not control these chapters.

C. The Organization reports net assets based on donor-imposed restrictions in three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The Organization had no temporarily restricted or permanently restricted net assets at March 31, 2015 and 2014.

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

D. Money market funds and fixed income investments with initial terms to maturity of three months or less are considered to be cash equivalents.

E. Accounts receivable, net of allowance for doubtful accounts, are recorded at the amount of cash estimated as realizable. The Organization provides an allowance for doubtful accounts when specific accounts are deemed uncollectible, based on a review of receivables. Accounts receivable balances are considered delinquent after thirty days from the invoice date. There was no allowance for doubtful accounts at March 31, 2015 and 2014.

F. Investments are stated at fair market value.

G. Property is stated at cost or fair market value, if contributed. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method and is charged to operations over the estimated useful lives of the related fixed assets, which range from three to seven years.

H. Membership dues are amortized into revenue in the applicable membership period. Dues paid in advance on a calendar year are recorded as deferred revenue in the accompanying combined financial statements.

I. Meeting and event fees and expenses are recognized upon occurrence of the event.

J. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

K. The costs of providing programs and other activities of the Organization are summarized on a functional basis on the Combined Statements of Activities and Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

L. Assets and liabilities of foreign operations and related entities have been translated at year end exchange rates, and statement of activity accounts have been translated using monthly average exchange rates. Adjustments resulting from translation have been recorded as foreign currency gain (loss) on the Combined Statements of Activities and Net Assets.

M. Income from certain activities not directly related to CoreNet and CRC's tax-exempt purposes, is subject to taxation as unrelated business income. During the year ended March 31, 2015 and 2014, CoreNet had net profits of approximately \$36,000 and \$51,000 of unrelated business income, respectively, from the sale of advertisements. Therefore, a tax provision of

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

approximately \$7,000 and \$10,000, respectively, were recorded on the Combined Statements of Activities and Net Assets. CRC had no unrelated business income during 2015 and 2014. The Organization has evaluated all tax positions taken on its tax returns and believes that all positions are more likely-than-not to be sustained upon examination. Generally, the Organization's tax returns are subject to examination by the U.S. Federal, state and local authorities for three years after the returns are filed. Currently, the 2011 through 2014 tax years are open and subject to examination. However, the Organization is not currently under examination, nor has it been contacted by the Internal Revenue Service.

N. Subsequent events have been evaluated by management through September 18, 2015, the date these financial statements were available to be issued.

## **2. CASH BALANCES**

The Organization maintains cash deposits at several financial institutions, which may at times exceed the Federally insured limit. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

## **3. INVESTMENTS**

U.S. generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets and other inputs that may be corroborated by observable market data. Level 3 within the hierarchy states that inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As of March 31, 2015 and 2014, the only assets or liabilities that are measured at fair value on a recurring basis are investments. Common stocks and U.S. Treasuries are valued at the closing price reported on the active market on which the individual securities are traded. Mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Mortgage-backed securities are valued based on quoted market prices for similar assets. Such investments are classified within level 1 or level 2 of the valuation of hierarchy.

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

The following is a summary of investments, stated at fair value, held at March 31:

	<b>2015</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Mutual funds	\$ 3,798,808	\$ -	\$ 3,798,808
U.S. Treasuries	72,734	-	72,734
Mortgage-backed securities	-	49,491	49,491
Total investments	\$ 3,871,542	\$ 49,491	\$ 3,921,033
	<b>2014</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Common stocks	\$ 465,040	\$ -	\$ 465,040
Mutual funds	3,104,787	-	3,104,787
U.S. Treasuries	69,557	-	69,557
Mortgage-backed securities	-	64,970	64,970
Total investments	\$ 3,639,384	\$ 64,970	\$ 3,704,354

Investment gains on the Combined Statements of Activities and Net Assets for the years ended March 31, 2015 and 2014 include realized and unrealized gains of \$67,881 and \$195,561, interest and dividend income of \$169,788 and \$134,773 less investment fees of \$26,998 and \$25,075, respectively.

#### **4. RELATED PARTY TRANSACTIONS**

The Organization assists local chapters in the collection of membership dues and event registration fees and remits them net of various banking fees. Amounts due to chapters at March 31, 2015 and 2014, were \$465,601 and \$412,889, respectively, and are included in accounts payable in the Combined Statements of Financial Position.

#### **5. LINE OF CREDIT**

CoreNet has a line of credit agreement with Smith Barney. The loan limit is determined based on percentages of equities and fixed income securities held by CoreNet and collateralized by such securities. The amounts available were \$2,586,561 and \$2,407,830 at March 31, 2015 and 2014, respectively. The interest rate varies and is dependent on the balance of the loan. The interest rate ranged from 3.38% to 6.88% as of March 31, 2015. The line of credit is a demand instrument and, therefore, does not have a fixed term. CoreNet entered into the line of credit to provide cash

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

funding without the need to sell investments against the market. The line of credit had a zero balance for the years ended March 31, 2015 and 2014.

**6. LEASES**

During the year ended March 31, 2011, CoreNet entered into a leasing agreement for office space at 133 Peachtree Street. The agreement is a 112-month non-cancelable lease with no rent due for the first 15 months of the lease. The cash payments related to the future minimum payments under non-cancelable operating leases are as follows:

<u>Year Ending</u>	<u>Building</u>	<u>Storage</u>	<u>Total</u>
March 31, 2016	\$ 205,514	\$ 2,374	\$ 207,888
March 31, 2017	\$ 210,659	\$ 2,444	\$ 213,103
March 31, 2018	\$ 215,962	\$ 2,518	\$ 218,480
March 31, 2019	\$ 221,364	\$ 2,593	\$ 223,957
March 31, 2020	\$ 226,865	\$ 2,671	\$ 229,536
Subsequently	\$ 134,230	\$ 1,597	\$ 135,827

Accrued lease liability for the years ended March 31, 2015 and 2014 were \$202,779 and \$222,076, respectively and were included in accrued liabilities on the Combined Statements of Financial Position. Rent expense, included in management and general expenses on the accompanying Combined Statements of Activities and Net Assets, was \$210,076 and \$204,056 for the years ended March 31, 2015 and 2014, respectively.

**7. EMPLOYMENT AGREEMENT AND POSTRETIREMENT BENEFIT OBLIGATION**

CoreNet assumed a lifetime employment agreement with two former officers and members of the Board of Directors of NACORE, under which the individuals were to provide consultation services to NACORE. In exchange for these future services and agreements not to compete, a fee of \$36,000 per annum, reduced by Social Security benefits when either, or both, of these individuals are entitled to such benefits, was agreed to be paid beginning in September 1988.

Upon the death of either individual, the amount paid will be reduced by 40%. Upon the death of the surviving individual, the Organization will have no further obligation. The compensation expense associated with this obligation is being recognized currently. During the year ended 2012, CoreNet recalculated the obligation due to the increase in life expectancy for both former officers.

Amounts estimated to be paid to these individuals after they reach normal retirement are considered to be post-employment retirement benefits. CoreNet provides for this obligation with

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

annual charges to operations through each individual's normal retirement date. CoreNet recorded an expense, included in management and general on the accompanying Combined Statements of Activities and Net Assets, of \$5,333 and \$5,746 for future retirement benefits for the years ended March 31, 2015 and 2014, respectively. The liability for future retirement benefits totaled \$72,842 and \$78,957 at March 31, 2015 and 2014, respectively and were included in accrued liabilities on the Combined Statements of Financial Position.

#### **8. RETIREMENT PLAN**

CoreNet has a 401(k) plan for the benefit of its U.S. employees. CoreNet matches 50% of the first 6% of the employees' contributions. Employees are vested for all matches. Contributions to the plan for the year ended March 31, 2015 and 2014 were \$53,850 and \$50,321, respectively.

#### **9. HOTEL CONTRACTS**

CoreNet has contracted with various hotels used to host its conferences through fiscal year 2019. These contracts stipulate the number of rooms to be reserved and the time period for which they are to be reserved, as well as stipulate a minimum amount spent for food and beverage. While the rooms will ultimately be paid for by the attendees of a conference, CoreNet has guaranteed the room in advance to ensure availability of rooms and related convention space.

There are two main risks associated with these contracts. The first risk concerns unforeseen catastrophic events. If the conference is cancelled in total because of an outside force such as hurricane, disease outbreak, or other act of God, for most (but not all) of these types of events, cancellation insurance is carried by CoreNet, which would pay related cancellation expenses and the net profit expected from the event.

The second risk relates to guarantees made in the contracts from non-cancelled events. A poor economy limiting travel, poor site selection or poor marketing can cause the event to be less well attended than anticipated. Based on the contracts, CoreNet would be obligated to pay attrition fees to the venue. During the year ended March 31, 2014, CoreNet incurred \$37,587 of attrition fees related to the summits. CoreNet did not incur any attrition fees for the year ended March 31, 2015.

**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

**10. FOREIGN OPERATIONS**

A summary of foreign assets, liabilities and income relating to operations in Australia, Europe and China which are included in the combined financial statements, are as follows:

	<u>2015</u>	<u>2014</u>
Assets	\$ 1,887,676	\$ 1,859,280
Liabilities	\$ 902,907	\$ 681,599
Change in net assets from operations	\$ (152,079)	\$ 183,114

**11. FOREIGN CURRENCY EXPOSURE**

CoreNet, as a non-profit entity with global operations, collects and holds multiple foreign currencies, including the Euro, Australian Dollar and the Chinese Yuan. In accordance with accounting principles generally accepted in the United States of America, it must record the effect of translating foreign currency transactions to United States Dollars in the Combined Statement of Activities and Net Asset. This principle can cause volatility in the change in net assets of CoreNet. The Organization may have a large gain or loss in a particular year from foreign currency transactions but it does not affect the operations or mission of the Organization as it receives revenues and pays expenses in local currency in these locations. The Organization does not hedge for currency fluctuation due to its operational approach and size. The foreign currency gains and losses reported on the Combined Statements of Activities and Net Assets for the fiscal year ended March 31, 2015 and 2014 were (\$271,626) and \$120,954, respectively.

The following cumulative foreign currency translations are included in net assets on the Combined Statements of Financial Position:

March 31, 2013	\$ (38,915)
FYE 2014 Gains	<u>120,954</u>
March 31, 2014	82,039
FYE 2015 (Losses)	<u>(271,626)</u>
March 31, 2015	<u><u>\$ (189,587)</u></u>



**CORENET GLOBAL, INC. AND RELATED ENTITIES**  
**COMBINED SCHEDULES OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	<u>2015</u>			<u>2014</u>		
	<u>Program</u>	<u>Management and General</u>	<u>Total</u>	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Personnel costs	\$ 2,621,055	\$ 2,208,150	\$ 4,829,205	\$ 2,226,435	\$ 1,848,191	\$ 4,074,626
Technology costs	10,912	565,817	576,729	4,888	431,170	436,058
Marketing and communication	53,022	290,790	343,812	26,923	304,655	331,578
Occupancy and office administration	42,667	304,494	347,161	70,293	294,957	365,250
Non-event travel, meals and entertainment	141,132	195,415	336,547	127,056	218,215	345,271
Other administrative expenses	41,524	585,483	627,007	333,002	541,396	874,398
Professional fees	112,215	532,434	644,649	136,750	373,224	509,974
North American summits	2,585,564	-	2,585,564	2,100,646	-	2,100,646
Learning expenses	787,273	-	787,273	1,028,996	-	1,028,996
Global operations	1,542,978	-	1,542,978	1,323,963	-	1,323,963
Publications expenses	293,487	-	293,487	346,266	-	346,266
Total expenses	<u>\$ 8,231,829</u>	<u>\$ 4,682,583</u>	<u>\$ 12,914,412</u>	<u>\$ 7,725,218</u>	<u>\$ 4,011,808</u>	<u>\$ 11,737,026</u>

See Independent Auditor's Report.