THE NEEDMOR FUND

Financial Statements

December 31, 2014 and 2013

THE NEEDMOR FUND

December 31, 2014 and 2013

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Independent Accountants' Review Report

To the Board of Directors
The Needmor Fund
Toledo, Ohio

We have reviewed the accompanying statements of financial position of The Needmor Fund, (a not-for-profit Foundation) as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Foundation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Edelstein & Company LLP

Boston, Massachusetts
April 29, 2015

THE NEEDMOR FUND

Statements of Financial Position

December 31,	**2014**	**2013**
Assets:		
Cash and cash equivalents	$ 517,858	$ 160,824
Unconditional promises to give	376,000	386,000
Prepaid expenses	15,113	2,907
Prepaid excise taxes	9,247	10,191
Investments	26,170,716	26,637,958
Property and equipment	-	286
Deposits	1,875	1,875
Total assets	$ 27,090,809	$ 27,200,041
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued expenses	$ 74,119	$ 54,341
Deferred excise taxes	126,000	76,000
Grants payable	922,500	765,000
Total liabilities	1,122,619	895,341
Net assets - unrestricted	25,968,190	26,304,700
Total liabilities and net assets	$ 27,090,809	$ 27,200,041

THE NEEDMOR FUND

Statements of Activities and Changes in Net Assets

For the Years Ended December 31,	2014	2013
Revenue and support:		
Contributions	$ 736,000	$ 747,000
Interest income	11,100	11,590
Dividend income	507,756	473,043
Realized gains on sale of investments	2,484,790	1,265,757
Unrealized (losses) gains on investments	(1,572,163)	2,798,945
Total revenue and support	2,167,483	5,296,335
Expenses:		
Grants	1,617,000	1,672,930
Direct charitable	557,941	534,320
Investment management and related	207,608	205,677
Excise taxes	121,444	91,770
Total expenses	2,503,993	2,504,697
Changes in net assets	(336,510)	2,791,638
Net assets - unrestricted, beginning of year	26,304,700	23,513,062
Net assets - unrestricted, end of year	$ 25,968,190	$ 26,304,700

THE NEEDMOR FUND

Statements of Cash Flows

For the Years Ended December 31,	2014	2013
Cash flows used in operating activities:		
Changes in net assets	$ (336,510)	$ 2,791,638
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	286	735
Net realized and unrealized gains on investments	(912,627)	(4,064,702)
Changes in operating assets and liabilities:		
Unconditional promises to give	10,000	9,000
Prepaid expenses	(12,206)	3,696
Prepaid excise taxes	944	(10,480)
Accounts payable and accrued expenses	19,778	(23,149)
Deferred excise taxes	50,000	76,000
Grants payable	157,500	(20,000)
Net cash used in operating activities	(1,022,835)	(1,237,262)
Cash flows provided by investing activities:		
Proceeds from sale of investments	10,213,209	6,242,134
Purchase of investments	(8,833,340)	(5,110,989)
Net cash provided by investing activities	1,379,869	1,131,145
Net increase (decrease) in cash	357,034	(106,117)
Cash, beginning of year	160,824	266,941
Cash, end of year	$ 517,858	$ 160,824

1. Foundation Purpose

The Needmor Fund (the "Foundation") is a private family foundation established in 1956. The primary goal of The Needmor Fund is to empower those individuals whose basic rights to justice and opportunity are systematically ignored or denied. The Needmor Fund grants funds to qualifying Foundations that meet established guidelines. Its principal source of revenue is investment income and donor contributions.

The core grant program accepts proposals from throughout the United States. Grants are also made from a discretionary pool under the direction of The Needmor Fund's staff and with the approval of the board of directors.

2. Summary of Significant Accounting Policies

Basis of Presentation

In order to ensure the observance of limitations and restrictions placed on the use of resources available to the Foundation, the Foundation determines the classification of its net assets and its revenue, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions.

The net assets of the Foundation are reported in three categories as follows:

(1) Unrestricted net assets represent resources available for support of the Foundation's operations.

(2) Temporarily restricted net assets represent resources restricted by donors for specific purposes.

(3) Permanently restricted net assets (endowment funds) represent resources which cannot be expended. Income on these invested endowment funds are utilized in accordance with the donors' stipulations.

The Foundation had no temporarily or permanently restricted net assets at December 31, 2014 and 2013 or for the years then ended.

Cash and Cash Equivalents

Cash equivalents consist of checking accounts and money market funds. From time to time, the Foundation's cash balances exceed the amount insured by the federal government.

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

The Foundation values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 - Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to *Level 1* inputs.

Level 2 - Observable inputs other than *Level 1* inputs such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with market data.

Level 3 - Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to *Level 3* inputs.

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

The following is a description of the valuation methodologies used for significant assets measured at fair value at December 31, 2014 and 2013:

> Investments in cash equivalents consisting of uninsured money market funds, certificates of deposit and debt obligations with maturities of three months or less approximate fair value because of the short-term nature of the items.
>
> Fixed income and stock mutual funds are reported at their net asset values. Common stock is valued at market quotation.

Archstone Equity Strategies Fund is a fund of funds that invests in hedge funds that implement global hedged equity strategies. The fund carries its investments in investee funds at fair value based on financial data supplied by the investee funds. However, because of the inherent uncertainty of valuation, the estimated fair value may differ from the value that would have been used had a ready market for the investment existed, and the difference could be material.

Spending Policy

The Foundation's spending policy provides for investment assets to be available annually for support of operations and grant-making. To preserve the long-term purchasing power of its investments, the Foundation's spending percentage is periodically evaluated and adjusted to an amount that is equal to or less than the projected return on the investment portfolio. Accordingly, under the Foundation's spending policy, grant making is increased annually by 3% in order to maintain the purchasing power and true value of the Foundation's investment in its grantees' programs.

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Expenditures made for leasehold improvements, furniture, fixtures and equipment are recorded at cost and depreciated over the estimated useful lives (between three and seven years).

Contributions and Investment Revenues

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor imposed restrictions. Contributions that are classified as temporarily restricted support are reclassified to unrestricted net assets upon satisfaction of the restriction or expiration of the time restriction. The Foundation has elected to report donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Interest, dividends, realized and unrealized gains and losses on investments are recorded as revenue and support of unrestricted net assets unless the income and gains and losses are restricted by donor or law. Realized gain and losses from the sale of investments is determined using the average cost method.

Income Taxes

The Foundation operates as a tax-exempt private foundation, pursuant to Section 501(c)(3) of the Internal Revenue Code. As a private foundation, the Foundation is subject to excise tax on net investment income, including realized gains. Excise tax expense for the years ended December 31, 2014 and 2013 was $121,444 and $91,770, respectively.

Deferred excise taxes are based on either a one or two percent rate and computed on the differences between the carrying value and the tax basis of the Foundation's investments, as well as temporary differences in income recognition. The deferred excise tax expense for the year ended December 31, 2014 and 2013 was $50,000 and $76,000, respectively and is reported as a component of excise tax expense.

The Foundation has evaluated the tax positions taken on returns for open years and those expected to be taken on returns for the year ended December 30, 2014. It is management's belief that such tax positions are more likely than not to be sustained upon examination by tax authorities. Accordingly, no liability for uncertain tax positions has been reflected in these financial statements. Tax returns for tax years beginning with those filed for 2011 are open to examination.

Use of Estimates and Subsequent Events

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

Use of Estimates and Subsequent Events (continued)

The Foundation's management has evaluated the effect which subsequent events may have on these financial statements. Management's evaluation was completed on April 29, 2015 the date these financial statements became available to be issued. No events have occurred subsequent to the statement of financial position date and through the date of evaluation that meet the criteria required for disclosure or accrual.

3. Concentrations

There is a concentration of contribution revenues and unconditional promises to give in that substantially all of the contributions to the Foundation are made from members of one family or charitable gift instruments controlled by members of that family.

4. Fair Value Measurements - Investments

The following table is a summary of the fair value hierarchy for the Foundation's investments measured at fair value as of December 31, 2014 and 2013:

	2014		
	Level 1	Level 2	Level 3
Cash equivalents	$ 1,557,379	$ -	$ -
Fixed income funds	2,556,012	181,380	-
Hedge fund investments:			
Archstone Equity Strategies Fund	-	-	2,198,864
Common stock:			
Consumer discretionary industry	2,156,456	-	-
Consumer staples industry	1,384,342	-	-
Energy industry	985,945	-	-
Financial services industry	3,300,521	-	-
Healthcare industry	2,477,389	-	-
Industrials industry	2,533,503	-	-
Information technology industry	2,843,945	-	-
Material industry	753,999	-	-
Telecommunications industry	468,257	-	-
Utilities industry	234,602	-	-
Total common stock	17,138,959	-	-
Mutual funds- domestic	2,538,122	-	-
Total investments	$ 23,790,472	$ 181,380	$ 2,198,864

4. Fair Value Measurements - Investments (continued)

	2013		
	Level 1	Level 2	Level 3
Cash equivalents	$ 1,882,431	$ -	$ -
Fixed income funds	2,213,547	181,380	-
Hedge fund investments:			
Archstone Equity Strategies Fund	-	-	2,100,537
Common stock:			
Consumer discretionary industry	2,107,415	-	-
Consumer staples industry	1,855,033	-	-
Energy industry	1,437,387	-	-
Financial services industry	3,330,860	-	-
Healthcare industry	2,281,318	-	-
Industrials industry	2,544,489	-	-
Information technology industry	2,317,263	-	-
Miscellaneous	816,155		
Material industry	1,159,651	-	-
Telecommunications industry	337,039	-	-
Utilities industry	312,380	-	-
Total common stock	18,498,990	-	-
Mutual funds- domestic	1,624,706	-	-
Exchange traded funds	136,367	-	-
Total investments	$ 24,356,041	$ 181,380	$ 2,100,537

The reconciliation of the activity in Level 3 investments for the years ended December 31, 2014 and 2013 was as follows:

	2014	2013
Balance, beginning of year	$ 2,100,537	$ 1,820,111
Realized gain	-	230,900
Unrealized gains	98,327	49,526
Balance, end of year	$ 2,198,864	$ 2,100,537

4. Fair Value Measurements - Investments (continued)

The reconciliation of investment activity for the years ended December 31, 2014 and 2013 was as follows:

	2014	2013
Investments, beginning	$ 26,637,958	$ 23,704,401
Interest and dividends	518,856	484,633
Realized and unrealized gains	912,627	4,064,702
Investment management fees	(152,857)	(150,613)
Purchases of investments	5,831,771	4,626,356
Sales of investments (at cost)	(5,816,085)	(4,599,365)
Transfers made for charitable distributions	(1,761,554)	(1,492,156)
Investments, end of year	$ 26,170,716	$ 26,637,958

5. Property and Equipment

Property and equipment consisted of the following as of December 31, 2014 and 2013, respectively:

Leasehold improvements	$ 80,000	$ 80,000
Furniture and equipment	25,523	25,523
	105,523	105,523
Accumulated depreciation	(105,523)	(105,237)
Total property and equipment	$ -	$ 286

6. Minimum Distribution Requirement

Certain provisions of the Internal Revenue Code require the Foundation to make distributions in prescribed minimum amounts each year. During the year ended, December 31, 2014, the Foundation had distributed $754,000 more than the required minimum distribution. The following is a summary of the computation of the excess qualifying distributions at December 31, 2014 that will be carried forward to 2015.

Excess qualifying distributions carried forward from 2013	$ 5,454,229
Estimated qualifying distributions in 2014	2,007,000
	7,461,229
Less: Estimated required minimum distributions	(1,253,000)
Less: Excess distributions that have expired	(1,019,157)
Excess of qualifying distributions over required minimum distributions	$ 5,189,072

7. Retirement Plan

The Foundation provides eligible employees with a defined contribution pension plan. The plan provides for the Foundation to contribute 15% of each employee's total compensation. Total contributions to the plan for the years ended December 31, 2014 and 2013 were $37,568 and $35,167, respectively.

8. Lease Commitments

On March 1, 2011, the Foundation renewed the lease agreement for the office space located in Toledo, Ohio, for a 5-year term expiring on February 28, 2016. Accordingly, future annual minimum lease payments are as follows:

For the years ending December 31,

2015	$ 24,854
2016	4,142

The Foundation also leases office space as a tenant-at-will in Roswell, New Mexico. Rent expense for the years ended December 31, 2014 and 2013 was $29,654 and $28,654 respectively.