
NONPROFIT ENTERPRISE AT WORK, INC.

FINANCIAL STATEMENTS

For the years ended June 30, 2015 and 2014

NONPROFIT ENTERPRISE AT WORK, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nonprofit Enterprise at Work, Inc.
Ann Arbor, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Nonprofit Enterprise at Work, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 organization'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 principles used and the reasonableness of significant 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nonprofit Enterprise at Work, Inc. as of June 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Respectfully,

Bennett & Associates CPA& PLLC

Ann Arbor, Michigan
December 1, 2015

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF FINANCIAL POSITION
June 30,

	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 209,559	\$ 50,135
Promises to give, net of allowance	100,000	50,822
Accounts receivable	94,118	64,443
Inventory	38,370	21,585
Prepaid expenses	5,922	11,910
Total current assets	447,969	198,895
Promises to give, due after one year	-	50,000
Property and equipment:		
Land	53,000	53,000
Building and improvements	922,895	876,314
Furniture and fixtures	98,475	98,475
Computer equipment and software	23,535	23,535
Total property and equipment	1,097,905	1,051,324
Less accumulated depreciation and amortization	(656,025)	(620,242)
Property and equipment, net of depreciation and amortization	441,880	431,082
TOTAL ASSETS	\$ 889,849	\$ 679,977
LIABILITIES		
Current liabilities		
Accounts payable - trade	\$ -	\$ 11,701
Accrued liabilities	65,646	90,273
Deferred revenue	34,565	4,330
Current portion of notes payable	17,837	8,073
Loan payable - related party	57,830	-
Total current liabilities	175,878	114,377
Security deposits payable	4,344	3,811
Notes payable, less current portion	379,256	241,927
TOTAL LIABILITIES	559,478	360,115
NET ASSETS		
Unrestricted net assets	(143,631)	(211,341)
Temporarily restricted - operations	100,000	136,744
Temporarily restricted - fixed assets	374,002	394,459
TOTAL NET ASSETS	330,371	319,862
TOTAL LIABILITIES AND NET ASSETS	\$ 889,849	\$ 679,977

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF ACTIVITIES
For the year ended June 30, 2015 with comparable totals for 2014

	Operations		Fixed Assets	Totals	
	Unrestricted	Temporarily Restricted	Temporarily Restricted	2015	2014
Support and Revenue					
Support					
Grants, contributions, and sponsorships	\$ 205,922	\$ 51,179	\$ -	\$ 257,101	\$ 255,791
In-kind contributions:					
Donated materials and supplies	20,505	-	-	20,505	2,725
Donated services	21,808	-	-	21,808	21,088
Total support	<u>248,235</u>	<u>51,179</u>	<u>-</u>	<u>299,414</u>	<u>279,604</u>
Revenue					
Program fees	674,888	-	-	674,888	474,122
Tenant					
Rentals	151,176	-	-	151,176	142,589
Reimbursements	27,769	-	-	27,769	27,413
Interest	8	-	-	8	298
Miscellaneous	3,260	-	-	3,260	855
Total revenue	<u>857,101</u>	<u>-</u>	<u>-</u>	<u>857,101</u>	<u>645,277</u>
Total support and revenue	<u>1,105,336</u>	<u>51,179</u>	<u>-</u>	<u>1,156,515</u>	<u>924,881</u>
Net assets released from restrictions					
Satisfaction of restriction requirements	<u>108,380</u>	<u>(87,923)</u>	<u>(20,457)</u>	<u>-</u>	<u>-</u>
Expenses					
Program services					
npServ	360,571	-	-	360,571	380,697
ResourceConnect	76,258	-	-	76,258	42,849
Building management	163,639	-	-	163,639	145,159
BoardConnect	274,061	-	-	274,061	223,742
Supporting services					
Management and general	167,572	-	-	167,572	173,238
Fundraising	103,905	-	-	103,905	103,766
Total expenses	<u>1,146,006</u>	<u>-</u>	<u>-</u>	<u>1,146,006</u>	<u>1,069,451</u>
Increase (decrease) in net assets	67,710	(36,744)	(20,457)	10,509	(144,570)
Net assets - beginning of year	<u>(211,341)</u>	<u>136,744</u>	<u>394,459</u>	<u>319,862</u>	<u>464,432</u>
Net assets - end of year	<u>\$ (143,631)</u>	<u>\$ 100,000</u>	<u>\$ 374,002</u>	<u>\$ 330,371</u>	<u>\$ 319,862</u>

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF ACTIVITIES
For the year ended June 30, 2014

	Operations		Fixed Assets	
	Unrestricted	Temporarily Restricted	Temporarily Restricted	2014
Support and Revenue				
Support				
Grants, contributions, and sponsorships	\$ 104,969	\$ 150,822	\$ -	\$ 255,791
In-kind contributions				
Donated materials and supplies	2,725	-	-	2,725
Donated services	21,088	-	-	21,088
Total support	128,782	150,822	-	279,604
Revenue				
Program fees	474,122	-	-	474,122
Tenants				
Rentals	142,589	-	-	142,589
Reimbursements	27,413	-	-	27,413
Interest	298	-	-	298
Miscellaneous	855	-	-	855
Total revenue	645,277	-	-	645,277
Total support and revenue	774,059	150,822	-	924,881
Net assets released from restrictions:				
Satisfaction of restriction requirements	184,845	(165,038)	(19,807)	-
Expenses				
Program services				
npServ	380,697	-	-	380,697
ResourceConnect	42,849	-	-	42,849
Building management	145,159	-	-	145,159
BoardConnect	223,742	-	-	223,742
Supporting services				
Management and general	173,238	-	-	173,238
Fundraising	103,766	-	-	103,766
Total expenses	1,069,451	-	-	1,069,451
Increase (decrease) in net assets	(110,547)	(14,216)	(19,807)	(144,570)
Net assets - beginning of year	(100,794)	150,960	414,266	464,432
Net assets - end of year	<u>\$ (211,341)</u>	<u>\$ 136,744</u>	<u>\$ 394,459</u>	<u>\$ 319,862</u>

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2015 with comparable totals for 2014

	Program Services				Total Program Services
	npServ	Resource Connect	Building Management	Board Connect	
Payroll expenses:					
Wages	251,528	43,708	30,752	185,749	\$ 511,737
Payroll Taxes	18,067	3,280	1,990	13,312	36,649
Employee Benefits	21,053	4,473	2,378	14,384	42,288
Total Payroll Expenses	290,648	51,461	35,120	213,445	590,674
Other expenses:					
Office Supplies	8,147	355	2,594	1,386	12,482
Program Expenses	15,235	-	14,932	3,193	33,360
Telephone	1,046	196	294	817	2,353
Telephone - Tenants	-	-	7,779	-	7,779
Postage	59	86	4,499	139	4,783
Copies/Faxes to Pgrams/Bldg	193	1,233	(433)	4,369	5,362
Janitorial	-	-	12,671	-	12,671
Utilities	-	-	21,572	-	21,572
Detroit Office Rent	1,964	982	-	1,535	4,481
Travel and Conferences	8,855	2,903	413	10,415	22,586
Dues and Subscriptions	-	1,295	-	-	1,295
Insurance	-	-	1,999	-	1,999
Meals and Entertainment	675	-	-	938	1,613
Copying and Printing	-	-	25	-	25
Repairs and Maintenance	-	-	12,016	-	12,016
Contract Services	-	17,600	13,011	27,928	58,539
Donated Computer Equipment	3,625	-	-	-	3,625
Grant Award	7,235	-	-	7,421	14,656
Professional Fees	-	-	-	-	-
Professional Development	160	25	-	1,159	1,344
Donated Services	21,088	-	720	-	21,808
Marketing and Promotion	75	122	94	1,316	1,607
Miscellaneous	-	-	3,870	-	3,870
Bad Debt	1,566	-	-	-	1,566
Total Expenses Before Depreciation	360,571	76,258	131,176	274,061	842,066
Depreciation	-	-	32,463	-	32,463
Total Expenses	\$ 360,571	\$ 76,258	\$ 163,639	\$ 274,061	\$ 874,529

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2015 with comparable totals for 2014

Supporting Services				
Management and General	Fundraising	Total Supporting Services	Total	
			2015	2014
93,565	87,918	\$ 181,483	\$ 693,220	\$ 688,846
6,556	5,836	12,392	49,041	48,507
8,234	6,464	14,698	56,986	43,147
108,355	100,218	208,573	799,247	780,500
321	141	462	12,944	5,457
24,664	-	24,664	58,024	2,837
392	523	915	3,268	3,298
-	-	-	7,779	7,927
460	373	833	5,616	6,444
230	103	333	5,695	6,972
-	-	-	12,671	13,014
-	-	-	21,572	21,396
675	982	1,657	6,138	5,756
66	859	925	23,511	22,766
3,131	-	3,131	4,426	4,958
3,759	-	3,759	5,758	5,915
-	-	-	1,613	1,624
-	-	-	25	1,496
-	-	-	12,016	8,010
-	-	-	58,539	40,838
-	-	-	3,625	3,425
-	-	-	14,656	20,812
9,818	-	9,818	9,818	14,435
298	621	919	2,263	2,386
-	-	-	21,808	21,088
9,123	85	9,208	10,815	10,031
1,959	-	1,959	5,829	24,262
1,000	-	1,000	2,566	-
164,251	103,905	268,156	1,110,222	1,035,647
3,321	-	3,321	35,784	33,804
\$ 167,572	\$ 103,905	\$ 271,477	\$ 1,146,006	\$ 1,069,451

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2014

	Program Services				Total Program Services
	npServ	Resource Connect	Building Management	Board Connect	
Payroll expenses:					
Wages	\$ 279,685	\$ 28,173	\$ 19,575	\$ 166,019	\$ 493,452
Payroll Taxes	20,224	1,882	1,422	12,269	35,797
Employee Benefits	18,507	1,406	1,740	9,955	31,608
Total Payroll Expenses	<u>318,416</u>	<u>31,461</u>	<u>22,737</u>	<u>188,243</u>	<u>560,857</u>
Other expenses:					
Office Supplies	1,898	6	2,068	859	4,831
Program Expenses	2,837	-	-	-	2,837
Telephone	965	181	271	754	2,171
Telephone - Tenants	-	-	7,927	-	7,927
Postage	69	76	5,152	190	5,487
Copies/Faxes to Pgrams/Bldg	125	517	34	6,118	6,794
Janitorial	-	-	13,014	-	13,014
Utilities	-	-	21,396	-	21,396
Detroit Office Rent	1,809	904	-	1,413	4,126
Travel and Conferences	9,786	3,536	106	8,477	21,905
Dues and Subscriptions	-	1,597	-	-	1,597
Insurance	-	-	1,979	-	1,979
Meals and Entertainment	450	-	-	635	1,085
Copying and Printing	111	44	-	1,029	1,184
Repairs and Maintenance	-	-	8,010	-	8,010
Contract Services	7,321	-	29,697	-	37,018
Donated Computer Equipment	3,425	-	-	-	3,425
Grant Award	11,780	495	-	8,537	20,812
Professional Fees	-	-	-	-	-
Professional Development	-	514	-	1,752	2,266
Donated Services	21,088	-	-	-	21,088
Marketing and Promotion	617	3,518	1,299	3,232	8,666
Miscellaneous	-	-	1,094	2,503	3,597
Bad Debt	-	-	-	-	-
Total Expenses Before Depreciation	<u>380,697</u>	<u>42,849</u>	<u>114,784</u>	<u>223,742</u>	<u>762,072</u>
Depreciation	-	-	30,375	-	30,375
Total Expenses	<u>\$ 380,697</u>	<u>\$ 42,849</u>	<u>\$ 145,159</u>	<u>\$ 223,742</u>	<u>\$ 792,447</u>

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2014

<u>Supporting Services</u>				
Management and General	Fundraising	Total Supporting Services	<u>Total 2014</u>	
\$ 106,659	\$ 88,735	\$ 195,394	\$ 688,846	
7,095	5,615	12,710	48,507	
6,879	4,660	11,539	43,147	
120,633	99,010	219,643	780,500	
569	57	626	5,457	
-	-	-	2,837	
607	520	1,127	3,298	
-	-	-	7,927	
618	339	957	6,444	
172	6	178	6,972	
-	-	-	13,014	
-	-	-	21,396	
725	905	1,630	5,756	
364	497	861	22,766	
3,361	-	3,361	4,958	
3,936	-	3,936	5,915	
539	-	539	1,624	
50	262	312	1,496	
-	-	-	8,010	
1,900	1,920	3,820	40,838	
-	-	-	3,425	
-	-	-	20,812	
14,435	-	14,435	14,435	
-	120	120	2,386	
-	-	-	21,088	
1,235	130	1,365	10,031	
20,665	-	20,665	24,262	
-	-	-	-	
169,809	103,766	273,575	1,035,647	
3,429	-	3,429	33,804	
\$ 173,238	\$ 103,766	\$ 277,004	\$ 1,069,451	

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30,

	<u>2015</u>	<u>2014</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Increase/(decrease) in net assets	\$ 10,509	\$ (144,570)
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation	35,783	33,804
Decrease (increase) in assets:		
Pledges receivable	822	(99,862)
Other receivables	(29,675)	(28,817)
Inventory	(16,785)	700
Prepaid expenses	5,988	(1,812)
(Decrease) increase in liabilities:		
Accounts payable - trade	(11,701)	7,311
Accrued liabilities	(24,627)	28,719
Deferred revenue	30,235	(2,849)
Security deposits payable	533	(619)
	<u>1,082</u>	<u>(207,995)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>(46,581)</u>	<u>(17,804)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Net borrowings (repayment) on line of credit	-	(165,000)
Borrowings on loan payable	57,830	-
Borrowings on notes payable	400,000	250,000
Payments on notes payable	<u>(252,907)</u>	<u>-</u>
	<u>204,923</u>	<u>85,000</u>
Net increase (decrease) in cash	159,424	(140,799)
Cash and cash equivalents - beginning of year	<u>50,135</u>	<u>190,934</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 209,559</u></u>	<u><u>\$ 50,135</u></u>

NOTE A - NATURE OF ORGANIZATION

Nonprofit Enterprise at Work, Inc. (NEW) is a 501(c)(3) nonprofit organization located in Ann Arbor, Michigan. Its mission is to help nonprofits succeed by strengthening nonprofit management and offering solutions to issues facing the nonprofit community. NEW is a management support organization for nonprofits, providing capacity building through leadership development, technology support, information resources, and office and meeting space. Revenue sources include fees for services, rental income, contributions, and grants.

NEW offers the following programs:

BoardConnect – The program offers full service support to CEO’s and boards of nonprofits. BoardConnect provides beginning and advanced governance training, strategic planning, customized facilitation and assistance with bylaws. In addition, BoardConnect offers the Board Room, an online collection of best practice documents for board governance, and Board360, an affordable board assessment tool. In the fiscal year 2015, BoardConnect served a wide range of individuals and organizations:

- **Nonprofits Served:** Through customized trainings for boards, the BoardConnect program served 52 nonprofits with 100 onsite serving 1,043 people.
- **Individuals Served:** Through the full range of BoardConnect services for individuals seeking boards, individuals serving on boards, and nonprofit staff and volunteers, the program served 128 individuals at BC workshops and an additional 375 at other workshops and 1,043 onsite for a total of 1,576 individuals.
- **NEW Workshops:** 25 public workshops were offered in various locations. This includes Leadership DELI which consisted of 7 sessions and took place in Washtenaw County. This program serves 15 nonprofits and 30 participants.
- **Board Room Subscriptions:** 40 organizations were subscribed to the Board Room for some portion of 2014-2015.
- **One Local Service Provider** redelivers BoardConnect training and matching services to their local nonprofits in Flint, Michigan.
- **Board360™:** 4 organizations used our online board assessment tool.

NEW Center – The program provides affordable office space and shared resources for nonprofit tenants and affordable meeting space available to any 501(c)(3) nonprofit organization. Our shared phone system for tenants saves them an average of 30% per year while enhancing communications capabilities. In the fiscal year 2015, the NEW Center provided a wide range of support to nonprofits:

- **Tenants:** 18 organizations were tenants as of June 30, 2015, of which 10 participated in the NEW Center’s shared telephone system.
- **Conference Rooms:** Tenant and non-tenant nonprofits made 1,542 reservations for 4,066 hours of conference room usage involving more than 15,090 attendees.

npServ – The program combines traditional business solutions and innovative new technologies to provide strategic, cost-effective IT services to nonprofits, helping them create and maintain an optimal technology environment tailored to their mission, budget, and needs. npServ lowers hardware, software, energy, and management costs, while enabling greater reliability, daily remote data backup, remote access to workstations, and many other benefits. Nonprofits have access to on-call IT support during regular business hours for an affordable monthly fee. npServ also offers hosted email for nonprofits. In the fiscal year 2015, npServ:

- Provided ongoing IT support and maintenance for 69 organizations, 809 workstations, 510 non-staff workstations, and 118 servers.

NOTE A – NATURE OF ORGANIZATION, continued

ResourceConnect – The program provides answers to nonprofit management questions for nonprofits and community members. Free online and offline resources connect organizations to up-to-date information and best practices. The program also provides guided access to a database of over 120,000 potential funders, and the “Get Connected” event series provides networking opportunities and information on nonprofit issues and concerns. In the fiscal year 2015, ResourceConnect:

- Provided 16 “Get Connected” events with 375 attendees.
- Provided general management information and Foundation Directory Online access to 7 individuals.
- Provided 11 new nonprofit startup consultations.
- Published NEWSNOTES, a monthly online newsletter for nonprofits with 8,117 regular subscribers.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

Display of net assets by class

The net assets of NEW are reported in each of the following three classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Net assets of the two restricted classes are created only by donor-imposed purpose or time restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

NEW’s temporarily restricted net assets are further classified for display purposes as follows:

Operations – restricted for (a) designated operating activities, or (b) use in specified future period, but otherwise unrestricted.

Fixed assets – restricted for (a) use by designated activities related to NEW, (b) the acquisition of long-lived assets, or (c) use in a specified future period.

NEW does not have any permanently restricted net assets.

Cash and cash equivalents

NEW considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of June 30, 2015, NEW has \$21,091 in restricted cash that serves as collateral for an irrevocable standby letter of credit that is required by their unemployment provider.

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The allowance for doubtful accounts was \$4,000 and \$6,536 at June 30, 2015 and 2014, respectively.

Inventory

Inventory consists of donated computer equipment valued at the estimated fair value at the time of donation.

Property and equipment

NEW capitalizes all expenditures for property and equipment in excess of \$1,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Pledges receivable

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Income taxes

NEW is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified NEW as other than a private foundation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recognition of donor restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires or is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated materials and services

NEW records the value of donated goods as contributions using estimated fair values at the date of receipt. For the years ended June 30, 2015 and 2014, donated supplies totaling \$20,505 and \$2,725, respectively, were recognized in the unrestricted class of net assets.

Contributions of donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased, if not provided by donation, are recorded at their fair values in the period received. For the years ended June 30, 2015 and 2014, contributed services of \$21,808 and \$21,088, respectively, were recognized in the unrestricted net asset class.

Statement of cash flows

NEW considers all highly liquid investments with an initial maturity of 90 days or less as cash and cash equivalents for the statement of cash flows.

Functional allocation of expenses

The costs of providing the program and support services have been reported on a functional basis in the statement of activities. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Subsequent events

Subsequent events have been evaluated through December 1, 2015, the date the financial statements were available to be issued.

NOTE C - LINE OF CREDIT

NEW has entered into an unsecured line of credit agreement with Old National Bank in the amount of \$50,000. As long as this agreement remains in-place, NEW is required to maintain a compensating balance of \$50,000 in a certificate of deposit at Old National Bank. At June 30, 2015, there was no balance drawn on the line of credit.

NOTE D - LOAN PAYABLE – RELATED PARTY

The loan payable - related party of \$57,830 is owed to a related party for a voluntary deferral of a portion of agreed upon compensation. Payment terms have not been established.

NOTE E - NOTES PAYABLE

NEW has the following notes payable outstanding:

	2015	2014
Business loan with IFF, an Illinois not-for-profit corporation. 180 monthly principal and interest payments beginning on 04/01/15. Initial interest rate of 5.375%. Interest rate recalculated at 04/01/20 and 04/01/25.	\$ 397,093	\$ -
Business loan with bank. Six monthly interest payments beginning 05/09/14. Fifty-three monthly principal and interest payments beginning 11/09/14 of \$2,036.22. Balloon payment of remaining principal and interest on 04/09/19. Variable interest rate equal to 1.500 percentage points above Prime. Interest rate at 06/30/14 was 5.00%.	-	250,000
	\$ 397,093	\$ 250,000

Scheduled principle payments on notes payable are as follows:

2016	\$	17,998
2017		18,989
2018		20,035
2019		21,139
2020		22,304
Thereafter		296,628
		\$ 397,093

NOTE F - OPERATING LEASES

NEW, as lessor, has entered into operating leases with nonprofit organizations that occupy the facility. The facility's cost and carrying amount is \$876,314 and \$360,949, respectively, including office space used by NEW for other purposes. The leases are from one to two years. Future minimum lease payments, in total and for the fiscal years ending June 30, for which leases have been negotiated, are as follows:

2016	\$	21,535
2017		16,621
2018		13,111
2019		13,111
2020		4,970
		<u>4,970</u>
	\$	<u>69,348</u>

NOTE G - DEFERRED COMPENSATION PLAN

NEW maintains a deferred compensation plan under Section 403(b) of the Internal Revenue Code. Participants may make a voluntary contribution to the plan up to 20% of their compensation.

NOTE H - PROMISES TO GIVE

Unconditional promises to give consist of the following:

	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ 100,000	\$ 52,278
Receivable in one to five years	-	50,000
Total unconditional pledge receivables	<u>100,000</u>	<u>102,278</u>
Less discounts to net present value	-	(1,456)
Less allowance for uncollectible promises	-	-
	<u>\$ 100,000</u>	<u>\$ 100,822</u>