NONPROFIT ENTERPRISE AT WORK, INC.

FINANCIAL STATEMENTS

For the years ended June 30, 2025 and 2024

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For the years ended June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nonprofit Enterprise at Work, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nonprofit Enterprise at Work, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Nonprofit Enterprise at Work, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nonprofit Enterprise at Work, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Respectfully,

Bennett & Associates CPAs PLLC

Ann Arbor, Michigan
February 18, 2026

	2025	2024
ASSETS		
Cash and cash equivalents	$ 674,767	$ 1,094,434
Promises to give, net	1,352,499	584,376
Accounts receivable, net of allowance for credit losses	52,620	115,038
Prepaid expenses	6,633	-
Operating lease right-of-use asset, net	27,232	36,101
Property and equipment:		
Land	53,000	53,000
Building and improvements	1,185,782	1,135,782
Furniture and fixtures	57,376	57,376
Computer equipment and software	43,150	43,150
	1,339,308	1,289,308
Less accumulated depreciation	(1,066,201)	(1,013,468)
Property and equipment, net	273,107	275,840
TOTAL ASSETS	$ 2,386,858	$ 2,105,789
LIABILITIES		
Accounts payable and accrued liabilities	$ 95,946	$ 205,088
Deferred revenue	10,989	7,836
Operating lease liability	27,232	36,101
Notes payable	221,710	252,486
TOTAL LIABILITIES	355,877	501,511
NET ASSETS		
Without donor restrictions	519,795	554,072
With donor restrictions	1,511,186	1,050,206
TOTAL NET ASSETS	2,030,981	1,604,278
TOTAL LIABILITIES AND NET ASSETS	$ 2,386,858	$ 2,105,789

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2025 with comparable totals for 2024

	Without Donor Restrictions	With Donor Restrictions	Totals 2025	Totals 2024
Support and Revenue				
Support				
Grants, contributions, and sponsorships	$ 100,661	$ 2,788,608	$ 2,889,269	$ 1,191,677
Donated services and use of facilities	2,717	-	2,717	16,425
Total support	103,378	2,788,608	2,891,986	1,208,102
Revenue				
Program fees				
Organizational Consulting, including Financial and IT Consulting	197,527	-	197,527	329,549
IT Managed Services	544,369	-	544,369	522,554
Building Managed Services	184,859	-	184,859	175,339
Financial Managed Services	215,628	-	215,628	197,119
Learning Communities - Training, Events and Workshops	78,250	-	78,250	65,200
Systems Change	12,060	-	12,060	-
Other	29,007	-	29,007	23,795
Total revenue	1,261,700	-	1,261,700	1,313,556
Total support and revenue	1,365,078	2,788,608	4,153,686	2,521,658
Net assets released from restrictions				
Satisfaction of restriction requirements	2,327,628	(2,327,628)	-	-
Expenses				
Program services				
Consulting	164,649	-	164,649	238,739
IT Managed Services	514,530	-	514,530	473,280
Financial Managed Services	1,673,661	-	1,673,661	1,124,405
Learning Communities	226,196	-	226,196	230,143
Building Management	192,578	-	192,578	217,027
New Center Transformation	29,050	-	29,050	273,198
Systems Change	67,155	-	67,155	48,415
Supporting services				
Management and general	749,532	-	749,532	952,655
Fundraising	109,632	-	109,632	91,131
Total expenses	3,726,983	-	3,726,983	3,648,993
Change in net assets	(34,277)	460,980	426,703	(1,127,335)
Net assets - beginning of year	554,072	1,050,206	1,604,278	2,731,613
Net assets - end of year	$ 519,795	$ 1,511,186	$ 2,030,981	$ 1,604,278

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total 2024
Support and Revenue			
Support			
Grants, contributions, and sponsorships	$ 143,503	$ 1,048,174	$ 1,191,677
Donated services and use of facilities	16,425	-	16,425
Total support	159,928	1,048,174	1,208,102
Revenue			
Program fees			
Organizational Consulting, including Financial and IT Consulting	329,549	-	329,549
IT Managed Services	522,554	-	522,554
Building Managed Services	175,339	-	175,339
Financial Managed Services	197,119	-	197,119
Learning Communities - Training, Events and Workshops	65,200	-	65,200
Systems Change	-	-	-
Other	23,795	-	23,795
Total revenue	1,313,556	-	1,313,556
Total support and revenue	1,473,484	1,048,174	2,521,658
Net assets released from restrictions			
Satisfaction of restriction requirements	1,962,182	(1,962,182)	-
Expenses			
Program services			
Consulting	238,739	-	238,739
IT Managed Services	473,280	-	473,280
Financial Managed Services	1,124,405	-	1,124,405
Learning Communities	230,143	-	230,143
Building Management	217,027	-	217,027
New Center Transformation	273,198	-	273,198
Systems Change	48,415	-	48,415
Supporting services			
Management and general	952,655	-	952,655
Fundraising	91,131	-	91,131
Total expenses	3,648,993	-	3,648,993
Change in net assets	(213,327)	(914,008)	(1,127,335)
Net assets - beginning of year	767,399	1,964,214	2,731,613
Net assets - end of year	$ 554,072	$ 1,050,206	$ 1,604,278

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2025 with comparable totals for 2024

	Program Services								Supporting Services			Totals	
	Consulting	IT Managed Services	Financial Managed Services	Learning Communities	Building Management	New Center Transformation	Systems Change	Total Program Services	Management and General	Fundraising	Total Supporting Services	2025	2024
Payroll expenses:													
Salaries and Wages	$ 121,104	$ 302,186	$ 163,515	$ 114,323	$ 29,029	$ -	$ 42,696	$ 772,853	$ 549,304	$ 82,213	$ 631,517	$ 1,404,370	$ 1,536,747
Payroll Taxes	9,039	22,555	12,128	8,535	2,167	-	3,187	57,611	39,065	6,136	45,201	102,812	113,197
Employee Benefits	16,063	37,111	23,194	16,370	3,093	50	3,093	98,974	58,627	4,639	63,266	162,240	166,545
Total Payroll Expenses	146,206	361,852	198,837	139,228	34,289	50	48,976	929,438	646,996	92,988	739,984	1,669,422	1,816,489
Other expenses:													
Office Expenses	-	502	-	100	14,979	-	-	15,581	29,444	-	29,444	45,025	63,346
Program Supplies and Subscriptions	3,593	137,462	713	25,193	7,882	-	10,479	185,322	-	-	-	185,322	180,015
Utilities	-	-	-	-	28,039	-	-	28,039	-	-	-	28,039	27,515
Travel and Conferences	-	8,057	16	7,850	-	-	-	15,923	1,506	-	1,506	17,429	37,308
Insurance	-	-	-	-	-	-	-	-	17,536	-	17,536	17,536	14,167
Meals and Entertainment	-	28	-	-	-	-	-	28	6,173	-	6,173	6,201	9,367
Building Repairs and Maintenance	-	-	-	-	41,131	3,500	-	44,631	-	-	-	44,631	57,972
Contract Services	6,850	-	-	53,825	-	-	7,700	68,375	-	-	-	68,375	67,975
Professional Fees	8,000	-	-	-	-	25,500	-	33,500	49,916	16,479	66,395	99,895	297,252
Marketing and Promotion	-	-	-	-	-	-	-	-	200	165	365	365	1,489
Interest	-	-	-	-	13,525	-	-	13,525	-	-	-	13,525	14,981
Credit Losses	-	6,629	-	-	-	-	-	6,629	-	-	-	6,629	200
Sponsored Projects	-	-	1,474,095	-	-	-	-	1,474,095	-	-	-	1,474,095	995,040
All Other	-	-	-	-	-	-	-	-	(2,239)	-	(2,239)	(2,239)	2,223
Total Expenses Before Depreciation	164,649	514,530	1,673,661	226,196	139,845	29,050	67,155	2,815,086	749,532	109,632	859,164	3,674,250	3,585,339
Depreciation					52,733			52,733	-	-	-	52,733	63,654
Total Expenses	$ 164,649	$ 514,530	$ 1,673,661	$ 226,196	$ 192,578	$ 29,050	$ 67,155	$ 2,867,819	$ 749,532	$ 109,632	$ 859,164	$ 3,726,983	$ 3,648,993

NONPROFIT ENTERPRISE AT WORK, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2024

	Program Services								Supporting Services			
	Consulting	IT Managed Services	Financial Managed Services	Learning Communities	Building Management	New Center Transformation	Systems Change	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2024
Payroll expenses:												
Salaries and Wages	$ 186,158	$ 278,598	$ 103,931	$ 101,823	$ 28,050	$ 43,778	$ 36,403	$ 778,741	$ 709,813	$ 48,193	$ 758,006	$ 1,536,747
Payroll Taxes	13,924	20,858	7,784	7,614	2,094	3,268	2,718	58,260	51,340	3,597	54,937	113,197
Employee Benefits	27,780	28,969	16,205	21,906	7,358	2,084	2,109	106,411	56,067	4,067	60,134	166,545
Total Payroll Expenses	227,862	328,425	127,920	131,343	37,502	49,130	41,230	943,412	817,220	55,857	873,077	1,816,489
Other expenses:												
Office Expenses	-	12,244	-	-	14,898	3	-	27,145	34,602	1,599	36,201	63,346
Program Supplies and Subscriptions	137	120,762	1,025	36,027	5,647	-	2,945	166,543	3,696	9,776	13,472	180,015
Utilities	-	623	-	-	26,892	-	-	27,515	-	-	-	27,515
Travel and Conferences	990	11,226	220	9,148	68	104	190	21,946	15,332	30	15,362	37,308
Insurance	-	-	-	-	-	-	-	-	14,167	-	14,167	14,167
Meals and Entertainment	-	-	-	-	48	120	-	168	9,199	-	9,199	9,367
Building Repairs and Maintenance	-	-	-	-	57,972	-	-	57,972	-	-	-	57,972
Contract Services	9,750	-	-	53,625	-	-	4,050	67,425	550	-	550	67,975
Professional Fees	-	-	-	-	2,509	223,734	-	226,243	47,779	23,230	71,009	297,252
Marketing and Promotion	-	-	-	-	-	107	-	107	743	639	1,382	1,489
Interest	-	-	-	-	14,981	-	-	14,981	-	-	-	14,981
Credit Losses	-	-	200	-	-	-	-	200	-	-	-	200
Sponsored Projects	-	-	995,040	-	-	-	-	995,040	-	-	-	995,040
All Other	-	-	-	-	-	-	-	-	2,223	-	2,223	2,223
Total Expenses Before Depreciation	238,739	473,280	1,124,405	230,143	160,517	273,198	48,415	2,548,697	945,511	91,131	1,036,642	3,585,339
Depreciation	-	-	-	-	56,510	-	-	56,510	7,144	-	7,144	63,654
Total Expenses	$ 238,739	$ 473,280	$ 1,124,405	$ 230,143	$ 217,027	$ 273,198	$ 48,415	$ 2,605,207	$ 952,655	$ 91,131	$ 1,043,786	$ 3,648,993

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 426,703	$ (1,127,335)
Adjustments to reconcile change in net assets		
to net cash from operating activities:		
Operating lease right-of-use asset amortization	8,869	8,109
Depreciation	52,733	63,654
Change in assets:		
Promises to give	(768,123)	962,448
Accounts receivable	62,418	(23,185)
Prepaid expenses	(6,633)	159
Change in liabilities:		
Accounts payable and accrued liabilities	(109,142)	116,604
Deferred revenue	3,153	(4,664)
Operating lease liability	(8,869)	(8,109)
Net cash from (used for) operating activities	(338,891)	(12,319)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(50,000)	-
Net cash used for investing activities	(50,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(30,776)	(29,204)
Net cash used for financing activities	(30,776)	(29,204)
Net change in cash and cash equivalents	(419,667)	(41,523)
Cash and cash equivalents - beginning of year	1,094,434	1,135,957
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 674,767	$ 1,094,434
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for		
Interest	$ 13,525	$ 14,981
Noncash investing and financing transactions:		
Operating lease liability arising from obtaining right-of-use asset	$ -	$ 11,147

NOTE A - NATURE OF ORGANIZATION

Nonprofit Enterprise at Work, Inc. (NEW) is a 501(c)(3) capacity building organization serving Southeast Michigan, with offices in Ann Arbor. NEW was founded in 1993 to manage the NEW Center, a collaborative nonprofit resource and incubator site of nonprofit tenants. NEW has since developed and delivered programs and services for nonprofits that meet their organizational needs.

NEW's mission is to inspire and equip mission-driven people, organizations, and communities to realize their visions of a just and thriving society. Our vision is empowered leaders, flourishing nonprofits, and vibrant communities.

We define capacity building as positioning an organization to deepen its impact by leveraging its strengths and addressing opportunities for improvement. NEW helps organizations make real progress towards their visions. This work takes shape differently with each client, depending on their unique situation. We help our peers align strategic thinking with their values and create action steps to meet their goals. To that end, our work with small- and medium-sized nonprofits is focused in the following areas:

Organizational Development Consulting
Managed Services: IT, Financial Services, and Building
Learning Communities
Systems Change

NEW's staff have infused our services with years of experience, research, and training. In all of our work, we help each client move towards realizing their vision and meeting their mission. We offer trusted guidance and support for every phase of a nonprofit's growth and development. We use our clients' strategic goals to drive the work, rooted in realistic expectations around capacity. Our values serve as a guiding light and filter for everything we do.

NEW also works with philanthropic and corporate partners making a difference in the community. In a variety of ways, our work together creates greater opportunity for systemic change.

NEW has four main programs:

Consulting – NEW supports organizations as they reckon with what's no longer working and reimagine how they lead, govern, and grow. Our work centers strategy, governance, and culture, helping teams align their values with their structure and day-to-day practices. Together, we design new ways of working that are rooted in justice, care, and accountability. In fiscal year 2024-25, NEW served 32 organizations with consulting services.

Managed Services – NEW fortifies the backbone of mission-driven organizations, offering trusted finance, IT, and admin support plus office and meeting space, so small- and medium-sized nonprofits can thrive, not just survive. In fiscal year 2024-25, NEW served 178 organizations with managed services:

- IT Services: 60 organizations
- Financial Services: 68 organizations
- Building Services: 50 organizations

Learning Communities – To combat isolation and promote knowledge-sharing, NEW creates spaces where leaders are seen, heard, and held, gathering in solidarity to learn, organize, and lead together across lines of difference. NEW's Learning Communities include Leadership DELI (leadership development), Champions for Change (racial justice-focused leadership development), and Road to Resilience (finance fundamentals). In fiscal year 2024-25, NEW served 64 individuals in Learning Communities:

- Leadership DELI: 21 participants
- Champions for Change: 23 participants
- Road to Resilience: 20 participants

NOTE A - NATURE OF ORGANIZATION, *continued*

Systems Change – NEW influences systems by telling new stories, challenging old ones, and working to shift mindsets in the nonprofit sector, advancing equity through narrative strategy, research, and policy influence. NEW's systems change initiatives include Centering Justice, a monthly virtual dialogue series, as well as Influence events such as the Social Sector Strategy Symposium (S4) and Mission-Driven Meetups.
In fiscal year 2024-25, NEW served 577 individuals in Systems Change events:

- Centering Justice: 242 participants
- Influence events: 335 participants

In addition to these programs, NEW is undertaking a special non-ongoing project: the NEW Center Transformation. The NEW Center Transformation intends to improve our physical space (the NEW Center) to better embody our mission, vision and values. NEW is currently developing the scope and timeline for the project.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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, 2025, NEW has $61,469 in restricted cash that serves as collateral for an irrevocable standby letter of credit that is required by their unemployment provider.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to credit loss expense and a credit to the allowance for credit losses account based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses and a credit to accounts receivable

The allowance for credit losses was $15,000 and $15,000 at June 30, 2025 and 2024, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Property and Equipment

NEW capitalizes all expenditures for property and equipment in excess of $5,000. 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, over the estimated useful life of the asset.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period 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.

Revenue Recognition

NEW recognizes revenue when it transfers promised goods or services to customers in an amount that reflects the consideration in which it expects to be entitled in exchange for those goods or services.

NEW's contracts generally do not contain variable consideration, contingent revenue or warranties, and contract modifications are generally minimal.

Organizational Consulting

Performance obligations related to organizational consulting revenue are transferred to the customer monthly over the course of the consulting engagement. Customers are generally billed monthly. The contract terms are straightforward and do not involve significant judgment in the timing or amount of revenue recognized.

IT Managed Services

Performance obligations related to on-going IT managed service revenue are transferred to the customer ratably over the term of the contract. Revenue is billed and recognized monthly over the term of the contract, which is generally one year or less. Initial onboarding, or one-off work such as reimbursements for equipment is recognized at the time of service. The contract terms are straightforward and do not involve significant judgment in the timing or amount of revenue recognized.

Building Managed Services

Revenue from affiliate membership and tenant fees are transferred to the customer ratably over the term of the contract. Revenue is billed and recognized monthly over the term of the lease agreement, which is generally one year or less. Conference room rental fees and reimbursements are recognized at the time of service. The contract terms are straightforward and do not involve significant judgment in the timing or amount of revenue recognized.

Financial Managed Services

Financial managed services comprise mainly of on-going bookkeeping support and fiscal sponsorship fees.

Performance obligations related to on-going bookkeeping revenue are transferred to the customer ratably over the term of the contract. Revenue is billed and recognized monthly over the term of the contract, which is generally one year or less. Initial onboarding, or one-off work such as 1099 processing is recognized at the time of service. The contract terms are straightforward and do not involve significant judgment in the timing or amount of revenue recognized.

Fiscal sponsorship fee revenue is recognized when funds are received from the funders as a practical expedient for recognition over time as services are delivered.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Training, Events and Workshops – "Learning Communities"
Performance obligations related to training, event and workshop (convenings) revenue is transferred to the customer ratably over time as the training is delivered. Depending on the type of convening, duration can range from one day to several months. Payment is generally due in full before the convening; therefore, contract liabilities may exist at year-end. However, in structuring the timing of convenings, all are scheduled to conclude before the end of the fiscal year-end. The contract terms are straightforward and do not involve significant judgment in the timing or amount of revenue recognized.

Systems Change
Performance obligations related to systems change revenue is recognized at the time of service. All influence events during fiscal year 2025 were one-day events. Payment is due in full prior to the convening: therefore, contract liabilities may exist at year-end. However, in structuring the timing of convenings, all are scheduled to conclude before the end of the fiscal year-end. The contract terms are straightforward and do not involve significant judgment in the timing or amount of revenue recognized.

Disaggregation of Revenue from Contracts with Customers

	2025	2024
Over time:		
Organizational Consulting	$ 192,980	$ 292,267
IT Managed Services	522,252	512,714
Building Managed Services	175,865	165,962
Financial Managed Services	126,317	154,723
	$ 1,017,414	$ 1,125,666
Point in time:		
Organizational Consulting	$ 4,547	$ 37,282
IT Managed Services	22,117	9,840
Building Managed Services	8,994	9,377
Financial Managed Services	89,311	42,396
Learning Communities - Training, Events and Workshops	78,250	65,200
Systems Change	12,060	-
	$ 215,279	$ 164,095

Contract Liabilities
Contract liabilities are shown on the statements of financial position as deferred revenue.

Grants, Contributions and Sponsorships
Grants, contributions, and sponsorships, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Donated Materials and Services
NEW records the value of donated goods as contributions using estimated fair values at the date of receipt. 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.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, which is allocated on a square-footage basis, as well as salaries, wages, and employee benefits, which are allocated on the basis of estimates of time and effort.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Subsequent events have been evaluated through February 18, 2026, the date the financial statements were available to be issued.

NOTE C - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 and 2024, comprise the following:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 674,767	$ 1,094,434
Promises to give, net	1,352,499	584,376
Accounts receivable, net of allowance for credit losses	52,620	115,038
Total financial assets	2,079,886	1,793,848
Less financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets	(599,567)	(887,099)
Less financial assets not available within one year:		
Promises to give	(426,619)	(63,107)
Amount available for general expenditures within one year	$ 1,053,700	$ 843,642

As part of its liquidity management plan, NEW has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE D - PROMISES TO GIVE

Unconditional promises to give consist of the following at June 30:

	2025	2024
Receivable in less than one year	$ 925,880	$ 521,269
Receivable in one to five years	440,000	65,000
Total unconditional promises to give	1,365,880	586,269
Less discounts to net present value	(13,381)	(1,893)
Less allowance for uncollectible promises	-	-
	$ 1,352,499	$ 584,376

NOTE E - NOTES PAYABLE

NEW has the following notes payable outstanding at June 30:

	2025	2024
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 was recalculated at 04/01/25 and increased to 5.910%. Secured by a mortgage on real estate (1100 N. Main St.) and an assignment of the rental income from the building.	$ 130,616	$ 153,604
Business loan with IFF, an Illinois not-for-profit corporation. 60 monthly principal and interest payments beginning on 03/01/24. Interest rate of 5.99%. Interest rate will be recalculated 07/01/29. Secured by a mortgage on real estate (1100 N. Main St.) and an assignment of the rental income from the building.	91,094	98,882
	$ 221,710	$ 252,486

Scheduled principal payments on notes payable are as follows:

2026	$ 32,326
2027	34,297
2028	36,387
2029	93,445
2030	25,255
Thereafter	-
	$ 221,710

NEW also has a standby letter of credit of $61,469 that expires December 31, 2025 and carries interest at the bank's prime rate plus 0.5%. There was no outstanding balance on the letter at June 30, 2025 and 2024. One of NEW's money market accounts is collateral for the letter.

NOTE F - LEASES

NEW recognizes right-of-use assets and lease liabilities for leases with terms greater than 12 months. Leases are classified as either finance or operating leases which dictates whether lease expense is recognized based on an effective interest method or straight-line-basis over the term of the lease.

Operating Leases - As Lessee

NEW is the lessee of certain office equipment under non-cancellable operating leases.

Amounts recognized in the financial statements for these operating leases are as follows:

	2025	2024
Lease cost	$ 10,473	$ 9,868
Cash paid for amounts included in measurement of lease liability	$ 10,473	$ 9,868

As of June 30, 2025, future payments due under the operating leases are as follows:

2026	$ 10,473
2027	10,473
2028	7,117
2029	1,209
2030	-
Thereafter	-
	29,272
Effect of discounting	(2,040)
Lease liability recognized	$ 27,232

As of June 30, 2025, the weighted-average remaining lease term for the operating leases is 34 months. The weighted average discount rate associated with the operating leases is 5%.

Operating Leases - As Lessor

NEW, as lessor, has entered into operating leases with nonprofit organizations that occupy the facility. The facility's cost and carrying amount is $1,185,782 and $220,108, respectively, including office space used by NEW for other purposes. The leases are from one to two years and have a fixed lease rate for the life of each lease. Future minimum lease payments, in total and for the fiscal years ending June 30, for which leases have been negotiated, are as follows:

2026	$ 122,983
2027	6,136
Thereafter	-
	$ 129,119

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

At June 30, net assets with donor restrictions are restricted for the following purposes or periods:

	2025	2024
Subject to expenditure for specified purpose:		
Building improvements	$ -	$ 60,500
Fiscal sponsorships	599,567	766,588
Learning Communities	-	55,000
Eugene A Miller Fellowship	-	5,011
	599,567	887,099
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	911,619	163,107
	911,619	163,107
	$ 1,511,186	$ 1,050,206

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	2025	2024
Expiration of time restrictions	$ 570,000	$ 590,000
Satisfaction of purpose restrictions		
Comms/Influence	5,000	-
Building improvements	60,500	331,837
Black Maternal Justice of Washtenaw County	-	20,606
Doulas as Travel Companions	36,869	-
Mommies in the D	31,000	-
Learning Communities	160,000	80,000
Eugene A Miller Fellowship	5,011	27,788
Washtenaw Care-Based Safety	340,480	325,844
Operations School	420,000	189,000
Voting Access for All	28,400	5,900
Fiscal sponsorship payments	670,368	391,207
	$ 2,327,628	$ 1,962,182

NOTE H - CONCENTRATION OF CREDIT RISK

NEW's savings and checking accounts are held at one financial institution located in Michigan. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Management continues to assess the risks/benefits and at this time has determined that NEW is not exposed to any significant credit risk in the cash accounts. NEW also has cash at an online payment processor.

NOTE I - RETIREMENT PLAN

NEW maintains a SIMPLE IRA retirement plan for substantially all employees, with a 3% matching contribution. Matching contributions totaled $31,222 and $30,030 for the years ended June 30, 2025 and 2024, respectively.

NOTE J - CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, 2025 and 2024, contributed services of $2,717 and $16,425, respectively, were recognized in the without donor restrictions net asset class. Contributed services are valued and reported at the estimated fair value in the financial statements based on current rates for similar services.

Contributed services supported NEW's Learning Communities and the NEW Center Transformation during the year ended June 30, 2025 and Learning Communities and the NEW Center Transformation during the year ended June 30, 2024.