

***TeamMates Mentoring Program
and Controlled Organization
Lincoln, Nebraska***

June 30, 2014 and 2013

***Consolidated Financial Statements
and
Report of Independent Certified Public Accountants***

TeamMates Mentoring Program and Controlled Organization

Years ended June 30, 2014 and 2013

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
TeamMates Mentoring Program and Controlled Organization
Lincoln, Nebraska

We have audited the accompanying consolidated financial statements of TeamMates Mentoring Program and Controlled Organization which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related consolidated notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TeamMates Mentoring Program and Controlled Organization as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities on pages 20-23 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

HBE Becker Meyer Love LLP

January 14, 2015

TeamMates Mentoring Program and Controlled Organization
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2014	2013
CURRENT ASSETS		
Cash and cash equivalents (note A)	\$ 2,303,828	1,770,524
Certificates of deposit	763,613	769,981
Investments (notes A and H)	3,411,587	1,393,905
Unconditional promises to give - current (notes A and B)	548,793	403,739
Prepaid expenses	3,843	3,726
Total current assets	7,031,664	4,341,875
OTHER ASSETS		
Unconditional promises to give - long-term (notes A and B)	485,215	132,662
Total assets	\$ 7,516,879	\$ 4,474,537

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 86,793	\$ 27,795
Accrued vacation (note A)	11,807	11,690
Accrued expenses	2,980	1,937
Total current liabilities	101,580	41,422
NET ASSETS (note A)		
Unrestricted	3,503,251	2,854,227
Temporarily restricted (note D)	3,748,628	1,468,168
Permanently restricted (note D)	163,420	110,720
Total net assets	7,415,299	4,433,115
Total liabilities and net assets	\$ 7,516,879	\$ 4,474,537

See accompanying notes to consolidated financial statements.

TeamMates Mentoring Program and Controlled Organization

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2014

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
REVENUE AND SUPPORT				
Contributions	\$ 1,269,878	\$ 2,534,264	\$ 52,700	\$ 3,856,842
Other grants	1,352,089	-	-	1,352,089
United Way	88,735	63,400	-	152,135
Investment income	103,626	256,878	-	360,504
Other income	88,004	-	-	88,004
In-kind income	1,442,703	-	-	1,442,703
Net assets released from restrictions	574,082	(574,082)	-	-
Total revenue and support	<u>4,919,117</u>	<u>2,280,460</u>	<u>52,700</u>	<u>7,252,277</u>
Expenses				
Program services	3,702,209	-	-	3,702,209
Management and general	358,030	-	-	358,030
Fundraising	209,854	-	-	209,854
Total expenses	<u>4,270,093</u>	<u>-</u>	<u>-</u>	<u>4,270,093</u>
Increase in net assets	649,024	2,280,460	52,700	2,982,184
Net assets at beginning of year	<u>2,854,227</u>	<u>1,468,168</u>	<u>110,720</u>	<u>4,433,115</u>
Net assets at end of year	<u>\$ 3,503,251</u>	<u>\$ 3,748,628</u>	<u>\$ 163,420</u>	<u>\$ 7,415,299</u>

See accompanying notes to consolidated financial statements.

TeamMates Mentoring Program and Controlled Organization

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2013

	<u>Unrestricted Net Assets</u>	<u>Temporary Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
REVENUE AND SUPPORT				
Contributions	\$ 1,554,555	\$ 205,845	\$ 10,000	\$ 1,770,400
Other grants	813,120	71,450	-	884,570
United Way	70,370	62,500	-	132,870
Investment income	60,653	106,404	-	167,057
Other income	32,798	-	-	32,798
In-kind income	1,208,714	-	-	1,208,714
Net assets released from restrictions	<u>305,632</u>	<u>(305,632)</u>	<u>-</u>	<u>-</u>
 Total revenue and support	 <u>4,045,842</u>	 <u>140,567</u>	 <u>10,000</u>	 <u>4,196,409</u>
 Expenses				
Program services	3,296,661	-	-	3,296,661
Management and general	344,652	-	-	344,652
Fundraising	<u>156,904</u>	<u>-</u>	<u>-</u>	<u>156,904</u>
 Total expenses	 <u>3,798,217</u>	 <u>-</u>	 <u>-</u>	 <u>3,798,217</u>
 Increase in net assets	 247,625	 140,567	 10,000	 398,192
Net assets at beginning of year, as restated	<u>2,606,602</u>	<u>1,327,601</u>	<u>100,720</u>	<u>4,034,923</u>
Net assets at end of year	<u>\$ 2,854,227</u>	<u>\$ 1,468,168</u>	<u>\$ 110,720</u>	<u>\$ 4,433,115</u>

See accompanying notes to consolidated financial statements.

TeamMates Mentoring Program and Controlled Organization

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,200,416	\$ 224,850	\$ -	\$ 1,425,266
Employee benefits	157,551	40,897	-	198,448
Payroll taxes	90,014	19,350	-	109,364
Professional fees	45,895	5,959	-	51,854
Insurance	40,852	6,549	-	47,401
Supplies	20,167	5,305	-	25,472
Telephone	16,901	3,852	-	20,753
Postage and printing	19,749	2,515	-	22,264
Occupancy	5,313	951	-	6,264
Repairs and maintenance	12,476	11,735	-	24,211
Advertising and promotional items	91,629	-	-	91,629
Travel	60,805	5,331	-	66,136
Consulting and speaker fees	60,719	10,715	-	71,434
Dues and subscriptions	3,591	-	-	3,591
Professional development	20,103	1,598	-	21,701
Program activities and entertainment	63,444	-	-	63,444
Mentor and mentee support	145,101	-	-	145,101
Events and fundraising activities	-	-	209,854	209,854
Scholarships	105,006	-	-	105,006
Program evaluation	10,700	-	-	10,700
Background checks	88,910	18,423	-	107,333
Miscellaneous	164	-	-	164
In-kind expenses	<u>1,442,703</u>	<u>-</u>	<u>-</u>	<u>1,442,703</u>
TOTAL EXPENSES	<u>\$ 3,702,209</u>	<u>\$ 358,030</u>	<u>\$ 209,854</u>	<u>\$ 4,270,093</u>

See accompanying notes to consolidated financial statements.

TeamMates Mentoring Program and Controlled Organization
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,160,820	\$ 217,593	\$ -	\$ 1,378,413
Employee benefits	152,635	32,439	-	185,074
Payroll taxes	98,198	18,092	-	116,290
Professional fees	41,302	5,356	-	46,658
Insurance	24,340	7,814	-	32,154
Supplies	26,036	4,267	-	30,303
Telephone	14,473	3,608	-	18,081
Postage and printing	15,662	2,272	-	17,934
Occupancy	6,092	1,590	-	7,682
Repairs and maintenance	10,392	17,029	-	27,421
Advertising and promotional items	59,927	-	-	59,927
Travel	85,392	7,721	-	93,113
Consulting and speaker fees	58,457	10,316	-	68,773
Dues and subscriptions	3,023	-	-	3,023
Professional development	12,327	828	-	13,155
Program activities and entertainment	53,760	-	-	53,760
Mentor and mentee support	136,853	-	-	136,853
Events and fundraising activities	-	-	156,904	156,904
Scholarships	67,883	-	-	67,883
Program evaluation	4,248	-	-	4,248
Background checks	54,240	15,239	-	69,479
Miscellaneous	297	-	-	297
In-kind expenses	<u>1,208,714</u>	<u>-</u>	<u>-</u>	<u>1,208,714</u>
TOTAL EXPENSES BEFORE DEPRECIATION	3,295,071	344,164	156,904	3,796,139
Depreciation	<u>1,590</u>	<u>488</u>	<u>-</u>	<u>2,078</u>
TOTAL EXPENSES	<u>\$ 3,296,661</u>	<u>\$ 344,652</u>	<u>\$ 156,904</u>	<u>\$ 3,798,217</u>

See accompanying notes to consolidated financial statements.

TeamMates Mentoring Program and Controlled Organization

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Cash received from revenue and support	\$ 4,951,463	\$ 2,840,563
Cash paid to employees and suppliers	(2,767,349)	(2,657,733)
Investment income received	<u>106,593</u>	<u>51,158</u>
Net cash provided by operating activities	<u>2,290,707</u>	<u>233,988</u>
Cash flows from investing activities		
Proceeds from sale of property and equipment	-	500
Proceeds from investments and certificates of deposit	238,727	300,835
Purchases of investments and certificates of deposit	<u>(1,996,130)</u>	<u>(402,312)</u>
Net cash used by investing activities	<u>(1,757,403)</u>	<u>(100,977)</u>
Net increase in cash and cash equivalents	533,304	133,011
Cash and cash equivalents at beginning of year	<u>1,770,524</u>	<u>1,637,513</u>
Cash and cash equivalents at end of year	<u>\$ 2,303,828</u>	<u>\$ 1,770,524</u>
Reconciliation of increase in net assets to net cash provided by operating activities		
Increase in net assets	<u>\$ 2,982,184</u>	<u>\$ 398,192</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	-	2,078
Unrealized gain on investments	(253,911)	(115,899)
(Increase) decrease in assets		
Unconditional promises to give	(497,607)	19,927
Prepaid expenses	(117)	1,960
Increase (decrease) in liabilities		
Accounts payable	58,998	(81,530)
Accrued vacation	117	8,010
Accrued expenses	<u>1,043</u>	<u>1,250</u>
Total adjustments to increase in net assets	<u>(691,477)</u>	<u>(164,204)</u>
Net cash provided by operating activities	<u>\$ 2,290,707</u>	<u>\$ 233,988</u>

See accompanying notes to consolidated financial statements.

TeamMates Mentoring Program and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TeamMates Mentoring Program (TeamMates) is a not-for-profit corporation formed to match at-risk children with responsible caring adult volunteers and provide educational and recreational activities, assessment and support for children and families throughout the State of Nebraska and surrounding areas.

TeamMates Foundation, an organization under common control, was formed in May 2008 to support the TeamMates Mentoring Program and other similar organizations whose mission is to inspire youth to reach their full potential.

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Method of Accounting. The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

Principles of Consolidation. The accompanying consolidated financial statements include the accounts of TeamMates Mentoring Program and TeamMates Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Net Asset Classification. TeamMates reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets. Net assets that are not subject to outside restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized.

Temporarily restricted net assets. Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as “net assets released from restrictions.”

Permanently restricted net assets. Net assets whose funds must be held indefinitely.

Endowment Summary. In August 2008, the Financial Accounting Standards Board issued guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The guidance also improves disclosures about an organization’s endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

The State of Nebraska adopted UPMIFA effective September 1, 2007. TeamMates adopted the Financial Accounting Standards Board’s guidance and required disclosures for the year ended June 30, 2010. The Board of Directors has determined that TeamMates’ general limitation endowment funds do not meet the definition of “endowment” under UPMIFA. The contributions are subject to TeamMates’ payout policy, which the Board of Directors has the discretion to change annually. Certain other contributions are received subject to donor-specific agreements with TeamMates. The Board of Directors has determined that these specific limitation endowment funds do meet the definition of “endowment” under UPMIFA.

NOTE A - SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Temporarily restricted net assets include the general limitation endowment funds with an unfulfilled restriction on the purpose for which the monies from the fund may be applied and the specific limitation endowment funds for which the donor allows some principal invasions in the gift instrument.

Endowment Investment and Payout Policies. TeamMates has adopted investment and payout policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. The investment policy establishes an achievable return objective through diversification of asset classes.

TeamMates strives to see that the real dollar value of the donors' past gifts and transfers of organizational endowments is preserved, if not enhanced. Investment managers develop and carry out long-term strategies, without pressure to maintain high levels of income for required distributions under all market conditions. TeamMates as a whole enjoys relatively consistent support, avoiding both windfalls and sharp cuts in distributions as earned income inevitably fluctuates.

The payout policy determines the amount of money distributable from TeamMates' various endowment funds. Distributions will be based on an annual payout rate of up to 5% of the average three year net asset value. Special distributions in excess of 5% of the net asset value must be approved by the Board. Distributions from the funds may be used for any purpose deemed appropriate by the TeamMates Board, provided that the purpose meets section 501(c)(3) tax guidelines and fulfills the mission and purpose of the TeamMates program. Any unused spending amount will accumulate and carry forward into the next quarter.

The above spending policy will not apply to donor endowment funds that have special donor restrictions defining the spendable income or that restricts the income from being used under the spending policy guidelines.

Cash and Cash Equivalents. For purposes of the statement of cash flows, TeamMates considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

Unconditional Promises to Give. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give are recorded on the balance sheet as assets net of allowance for uncollectible accounts and recorded as donations on the statement of activities, less discounts to net present value at estimated representative rates. As payments are received on pledges, the amounts received will be included as donations on the statement of activities for any difference not recorded as a donation.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. TeamMates utilizes a framework to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that TeamMates has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Transfers between levels shall occur at the actual date of the event or change in circumstances that caused the transfer. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Property and Equipment and Depreciation. Property and equipment is carried at cost, if purchased, and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. Furniture and equipment is depreciated over estimated useful lives from 3 to 7 years. It is TeamMates' policy to capitalize property and equipment over \$1,500. Lesser amounts are expensed.

In-Kind Donations. In-kind donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by TeamMates.

Vacation Leave Policy. Employees earn 12 to 18 days of paid vacation per year, based on years of service. A maximum of eighteen days of vacation may be carried from one fiscal year to the next. Upon leaving the organization, an employee will be paid for all accrued but unused vacation. Accordingly, TeamMates has recorded an accrual for vacation earned at year end.

Functional Expenses. Expenses are charged directly to their respective functional category based on specific identification. Indirect expenses have been allocated based on employees' time spent within each functional category.

Advertising Costs. Non-direct response advertising costs are expensed as incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Income Taxes. TeamMates Mentoring Program and TeamMates Foundation are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purpose is not subject to income tax. Any income earned through activities not related to their exempt purpose is subject to income tax at normal corporate rates.

Use of Estimates. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of:

	<u>2014</u>	<u>2013</u>
United Way	\$ 63,400	\$ 62,500
Private foundations	798,446	229,439
Corporate pledges	37,500	5,000
Individual pledges	<u>139,450</u>	<u>244,250</u>
	<u>\$ 1,038,796</u>	<u>\$ 541,189</u>

Unconditional promises to give are due in the following periods:

Receivable in less than one year	\$ 548,793	\$ 403,739
Receivable in one year to five years	<u>490,003</u>	<u>137,450</u>
	1,038,796	541,189
Less discounts	<u>(4,788)</u>	<u>(4,788)</u>
	<u>\$ 1,034,008</u>	<u>\$ 536,401</u>

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consists of:

Furniture and equipment	\$ 60,005	\$ 60,005
Less accumulated depreciation	<u>(60,005)</u>	<u>(60,005)</u>
	<u>\$ -</u>	<u>\$ -</u>

The consolidated financial statements include depreciation expense of \$- and \$2,078 for the years ended June 30, 2014 and 2013.

TeamMates Mentoring Program and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D - RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2014</u>	<u>2013</u>
Lincoln - Scholarships and endowment	\$ 20,991	\$ 22,399
Boone Central - Scholarships	1,606	2,094
Box Butte - Scholarships	950	950
Crete - Scholarships	8,099	8,099
Council Bluffs - Scholarships	492	-
Doniphan - Scholarships	125	125
Franklin - Scholarships	8,571	8,571
Kearney - Scholarships	9,935	9,935
Millard - Scholarships	850	-
Norfolk - Scholarships	1,343	1,343
York - Scholarships	695	695
Osborne Opportunity Fund endowment	363,287	330,648
TeamMates Foundation endowment	2,110,168	393,358
Boone Central chapter endowment	5,050	5,050
Central City chapter endowment	48,892	42,534
Columbus chapter endowment	255	94
Doniphan chapter endowment	375	58
Fremont chapter endowment	26,265	22,567
Grand Island chapter endowment and scholarships	75,037	56,929
Gretna chapter endowment	284	-
Hastings chapter endowment	851	71
Medicine Valley chapter endowment	24,697	21,401
Mullen chapter endowment	42	-
North Platte chapter endowment	16	-
Plainview chapter endowment	77	-
Thayer chapter endowment	252	-
Wayne chapter endowment	375	58
West Point chapter endowment	105	-
Wisner-Pilger chapter endowment	34	-
York chapter endowment	113	-
Unconditional promises to give	<u>1,038,796</u>	<u>541,189</u>
	<u>\$ 3,748,628</u>	<u>\$ 1,468,168</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE D - RESTRICTED NET ASSETS - CONTINUED

Permanently restricted net assets are as follows:

	<u>2014</u>	<u>2013</u>
Central City chapter endowment	\$ 2,000	\$ -
Columbus chapter endowment	1,000	1,000
Doniphan chapter endowment	2,000	2,000
Grand Island chapter endowment	35,000	35,000
Grand Island chapter scholarship fund	65,720	65,720
Gretna chapter endowment	5,000	-
Hastings chapter endowment	5,000	5,000
Lincoln chapter endowment	30,000	-
Mullen chapter endowment	1,200	-
North Platte chapter endowment	500	-
Plainview chapter endowment	2,000	-
Thayer chapter endowment	2,000	-
Wayne chapter endowment	2,000	2,000
West Point chapter endowment	3,000	-
Wisner-Pilger chapter endowment	5,000	-
York chapter endowment	2,000	-
	<u>\$ 163,420</u>	<u>\$ 110,720</u>

NOTE E - INTENTIONS TO GIVE

TeamMates has received indications of gifts in the form of bequests which are revocable during the donors' lifetime or irrevocable for which a donation amount cannot be determined. Due to the uncertain nature of these intentions, TeamMates has not recognized a promise to give or contribution revenue for these gifts.

TeamMates Mentoring Program and Controlled Organization
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE F - ENDOWMENTS

Endowment net asset composition by type of fund as of June 30, 2014 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 2,595,082	\$ 163,420	\$ 2,758,502

Changes in endowment net assets for the fiscal year ended June 30, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance July 1, 2013	\$ -	\$ 822,066	\$ 110,720	\$ 932,786
Contributions	-	1,591,175	52,700	1,643,875
Investment income	-	241,198	-	241,198
Amounts appropriated for expenditure	-	(59,357)	-	(59,357)
Balance June 30, 2014	<u>\$ -</u>	<u>\$ 2,595,082</u>	<u>\$ 163,420</u>	<u>\$ 2,758,502</u>

Endowment net asset composition by type of fund as of June 30, 2013 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 822,066	\$ 110,720	\$ 932,786

Changes in endowment net assets for the fiscal year ended June 30, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance July 1, 2012	\$ -	\$ 687,542	\$ 100,720	\$ 788,262
Contributions	-	99,925	10,000	109,925
Investment income	-	90,077	-	90,077
Amounts appropriated for expenditure	-	(55,478)	-	(55,478)
Balance June 30, 2013	<u>\$ -</u>	<u>\$ 822,066</u>	<u>\$ 110,720</u>	<u>\$ 932,786</u>

TeamMates Mentoring Program and Controlled Organization
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G - OPERATING LEASES

TeamMates currently has lease agreements for a postage machine and a copier. The postage machine lease requires quarterly payments of \$92 through June 2016. The copier lease requires monthly payments of \$126 through August 2014. On August 12, 2014 a new lease was signed for a copier requiring monthly payments of \$161 through 2019.

Future minimum lease payments for the years following June 30, 2014 are:

June 30,	
2015	\$ 2,232
2016	2,302
2017	1,934
2018	1,934
2019	1,934
Thereafter	322
	\$ 10,658

NOTE H - FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended June 30, 2014 and 2013.

Mutual funds: Valued at the observable net asset value (NAV) of shares held by TeamMates at year end.

Exchange traded funds: Valued at the observable net asset value (NAV) of shares held by TeamMates at year end.

Investments held at foundations: Valued using observable inputs of the underlying assets. All underlying assets are assigned to level 1 or 2 by the individual foundation.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although TeamMates believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

TeamMates Mentoring Program and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE H - FAIR VALUE MEASUREMENTS - CONTINUED

The following table sets forth the balances of assets measured at fair value on a recurring basis as of June 30, 2014.

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2014</u>				
Mutual funds				
Foreign large blend funds	\$ 385,518	\$ 385,518	\$ -	\$ -
Large cap funds	837,969	837,969	-	-
Small growth funds	208,577	208,577	-	-
Bond funds	811,651	811,651	-	-
Conservative allocation funds	451,197	451,197	-	-
Real estate funds	94,423	94,423	-	-
Exchange traded funds	66,204	66,204	-	-
Investments held at foundations	<u>556,048</u>	<u>285,757</u>	<u>270,291</u>	<u>-</u>
Total	<u>\$ 3,411,587</u>	<u>\$ 3,141,296</u>	<u>\$ 270,291</u>	<u>\$ -</u>

The following table sets forth the balances of assets measured at fair value on a recurring basis as of June 30, 2013.

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>June 30, 2013</u>				
Mutual funds				
Foreign large blend funds	\$ 169,185	\$ 169,185	\$ -	\$ -
Large growth funds	277,706	277,706	-	-
Small growth funds	65,387	65,387	-	-
Bond funds	239,023	239,023	-	-
Conservative allocation funds	165,143	165,143	-	-
Real estate funds	35,265	35,265	-	-
Exchange traded funds	4,423	4,423	-	-
Investments held at foundations	<u>437,773</u>	<u>366,697</u>	<u>71,076</u>	<u>-</u>
Total	<u>\$ 1,393,905</u>	<u>\$ 1,322,829</u>	<u>\$ 71,076</u>	<u>\$ -</u>

TeamMates Mentoring Program and Controlled Organization

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE I - RETIREMENT PLAN

TeamMates has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time and part-time employees who work more than 20 hours per week. TeamMates contributes a matching contribution equal to 100% of a participant's salary deferral up to 5% of the participant's eligible wages. TeamMates contributed \$37,142 and \$24,359 for the years ended June 30, 2014 and 2013.

NOTE J - CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject TeamMates to concentrations of credit risk consist principally of checking accounts and money market accounts at financial institutions. Accounts at each institution are insured by the FDIC up to \$250,000. The bank accounts, at times, exceeded federally insured limits. TeamMates has not experienced any losses on such accounts.

NOTE K - INCOME TAXES

TeamMates Mentoring Program is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the years ended June 30, 2014 and 2013, TeamMates had no tax liability on unrelated business activity. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

TeamMates' federal Returns of Organization Exempt from Income Tax (Form 990) for June 30, 2014, 2013, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

TeamMates Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the years ended June 30, 2014 and 2013, the Foundation had no tax liability on unrelated business activity. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

TeamMates Foundation's federal Returns of Organization Exempt from Income Tax (Form 990) for June 30, 2014, 2013, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

NOTE L - COMMITMENT

In April 2014, TeamMates renewed an agreement for services of charitable estate planning and planned giving. Payments of \$16,500 were made on those services as of June 30, 2014. The agreement calls for 12 monthly installments of \$5,500 for a total payment of \$66,000.

NOTE M - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date the financial statements were available to be issued.

On August 12, 2014 a new lease for a copier was signed. See Note G.

HBE
HBE
Becker Meyer Love ^{LLP}
Certified Public Accountants & Consultants
SUPPLEMENTAL INFORMATION

TeamMates Mentoring Program and Controlled Organization

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2014

ASSETS

	<u>TeamMates Mentoring Program</u>	<u>TeamMates Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,198,790	\$ 142,247	\$ (37,209)	\$ 2,303,828
Certificates of deposit	763,613	-	-	763,613
Investments	1,403,457	2,858,540	(850,410)	3,411,587
Unconditional promises to give-current	473,293	175,360	(99,860)	548,793
Prepaid expenses	3,843	-	-	3,843
	<u>4,842,996</u>	<u>3,176,147</u>	<u>(987,479)</u>	<u>7,031,664</u>
OTHER ASSETS				
Unconditional promises to give-long-term	<u>432,215</u>	<u>53,000</u>	<u>-</u>	<u>485,215</u>
	<u>\$ 5,275,211</u>	<u>\$ 3,229,147</u>	<u>\$ (987,479)</u>	<u>\$ 7,516,879</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 86,793	\$ -	\$ -	\$ 86,793
Accrued vacation	11,807	-	-	11,807
Accrued expenses	2,980	-	-	2,980
Agency funds	-	987,479	(987,479)	-
	<u>101,580</u>	<u>987,479</u>	<u>(987,479)</u>	<u>101,580</u>
NET ASSETS				
Unrestricted	3,503,251	-	-	3,503,251
Temporarily restricted	1,506,960	2,241,668	-	3,748,628
Permanently restricted	163,420	-	-	163,420
	<u>5,173,631</u>	<u>2,241,668</u>	<u>-</u>	<u>7,415,299</u>
	<u>\$ 5,275,211</u>	<u>\$ 3,229,147</u>	<u>\$ (987,479)</u>	<u>\$ 7,516,879</u>

TeamMates Mentoring Program and Controlled Organization
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2013

ASSETS

	TeamMates Mentoring Program <u>(as restated)</u>	TeamMates Foundation <u>(as restated)</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,727,220	\$ 81,110	\$ (37,806)	\$ 1,770,524
Certificates of deposit	769,981	-	-	769,981
Investments	1,041,351	956,131	(603,577)	1,393,905
Unconditional promises to give-current	273,239	130,500	-	403,739
Prepaid expenses	<u>3,726</u>	<u>-</u>	<u>-</u>	<u>3,726</u>
 Total current assets	 3,815,517	 1,167,741	 (641,383)	 4,341,875
OTHER ASSETS				
Unconditional promises to give-long-term	<u>56,662</u>	<u>76,000</u>	<u>-</u>	<u>132,662</u>
 Total assets	 <u>\$ 3,872,179</u>	 <u>\$ 1,243,741</u>	 <u>\$ (641,383)</u>	 <u>\$ 4,474,537</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 25,295	\$ 2,500	\$ -	\$ 27,795
Accrued vacation	11,690	-	-	11,690
Accrued expenses	1,937	-	-	1,937
Agency funds	<u>-</u>	<u>641,383</u>	<u>(641,383)</u>	<u>-</u>
 Total current liabilities	 <u>38,922</u>	 <u>643,883</u>	 <u>(641,383)</u>	 <u>41,422</u>
NET ASSETS				
Unrestricted	2,854,227	-	-	2,854,227
Temporarily restricted	868,310	599,858	-	1,468,168
Permanently restricted	<u>110,720</u>	<u>-</u>	<u>-</u>	<u>110,720</u>
 Total net assets	 <u>3,833,257</u>	 <u>599,858</u>	 <u>-</u>	 <u>4,433,115</u>
 Total liabilities and net assets	 <u>\$ 3,872,179</u>	 <u>\$ 1,243,741</u>	 <u>\$ (641,383)</u>	 <u>\$ 4,474,537</u>

TeamMates Mentoring Program and Controlled Organization

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2014

	<u>TeamMates Mentoring Program</u>	<u>TeamMates Foundation</u>	<u>Consolidated</u>
REVENUE AND SUPPORT			
Contributions	\$ 2,342,917	\$ 1,513,925	\$ 3,856,842
Other grants	1,352,089	-	1,352,089
United Way	152,135	-	152,135
Investment income	195,223	165,281	360,504
Other income	88,004	-	88,004
In-kind income	<u>1,442,703</u>	<u>-</u>	<u>1,442,703</u>
 Total revenue and support	 <u>5,573,071</u>	 <u>1,679,206</u>	 <u>7,252,277</u>
 Expenses			
Program services	3,664,813	37,396	3,702,209
Management and general	358,030	-	358,030
Fundraising	<u>209,854</u>	<u>-</u>	<u>209,854</u>
 Total expenses	 <u>4,232,697</u>	 <u>37,396</u>	 <u>4,270,093</u>
 Increase in net assets	 1,340,374	 1,641,810	 2,982,184
Net assets at beginning of year	<u>3,833,257</u>	<u>599,858</u>	<u>4,433,115</u>
Net assets at end of year	<u>\$ 5,173,631</u>	<u>\$ 2,241,668</u>	<u>\$ 7,415,299</u>

TeamMates Mentoring Program and Controlled Organization

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended June 30, 2013

	TeamMates Mentoring Program <u>(as restated)</u>	TeamMates Foundation <u>(as restated)</u>	<u>Consolidated</u>
REVENUE AND SUPPORT			
Contributions	\$ 1,658,875	\$ 111,525	\$ 1,770,400
Other grants	884,570	-	884,570
United Way	132,870	-	132,870
Investment income	128,242	38,815	167,057
Other income	32,798	-	32,798
In-kind income	<u>1,208,714</u>	<u>-</u>	<u>1,208,714</u>
 Total revenue and support	 <u>4,046,069</u>	 <u>150,340</u>	 <u>4,196,409</u>
 Expenses			
Program services	3,282,549	14,112	3,296,661
Management and general	344,652	-	344,652
Fundraising	<u>156,904</u>	<u>-</u>	<u>156,904</u>
 Total expenses	 <u>3,784,105</u>	 <u>14,112</u>	 <u>3,798,217</u>
 Increase in net assets	 261,964	 136,228	 398,192
Net assets at beginning of year	<u>3,571,293</u>	<u>463,630</u>	<u>4,034,923</u>
Net assets at end of year	<u>\$ 3,833,257</u>	<u>\$ 599,858</u>	<u>\$ 4,433,115</u>