

ENTREPRENEURS' ORGANIZATION

FINANCIAL STATEMENTS

JUNE 30, 2013



ENTREPRENEURS' ORGANIZATION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Entrepreneurs' Organization

We have audited the accompanying financial statements of Entrepreneurs' Organization (EO), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the year ended June 30, 2013, 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 audits 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 financial statements referred to above present fairly, in all material respects, the financial position of Entrepreneurs' Organization as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the year ended June 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

Calibre CPA Group, PLLC

Bethesda, MD
November 1, 2013

ENTREPRENEURS' ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 23,367,633	\$ 17,579,246
Certificates of deposit	1,603,971	1,603,971
Accounts receivable	337,398	815,548
Prepaid expenses	842,483	807,417
Property and equipment, net of accumulated depreciation of \$967,445 and \$610,738 in 2013 and 2012, respectively	1,339,596	1,410,439
Security deposits	51,200	57,633
Investments	600	600
Total assets	\$ 27,542,881	\$ 22,274,854
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 8,217,549	\$ 3,105,490
Accrued expenses	658,772	311,940
Deferred revenue	14,391,656	14,529,068
Deferred lease incentives	638,852	737,137
Total liabilities	23,906,829	18,683,635
NET ASSETS		
Unrestricted		
Board designated	351,469	351,469
Undesignated	2,898,681	2,122,236
Total unrestricted	3,250,150	2,473,705
Temporarily restricted	347,902	1,079,514
Permanently restricted	38,000	38,000
Total net assets	3,636,052	3,591,219
Total liabilities and net assets	\$ 27,542,881	\$ 22,274,854

See accompanying notes to financial statements.

ENTREPRENEURS' ORGANIZATION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2012)

	2013			2012 Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted		Total
REVENUES					
Membership dues	\$ 14,430,958	\$ -	\$ -	\$ 14,430,958	\$ 12,460,265
Contributions	117,500	792,315	-	909,815	1,964,760
Return of contributions	-	-	-	-	(261,118)
Conferences and forums	7,052,381	-	-	7,052,381	5,976,645
Royalties	119,111	-	-	119,111	107,433
Interest	9,269	709	-	9,978	18,562
Miscellaneous	11,150	-	-	11,150	19,946
Net assets released from restrictions	1,524,636	(1,524,636)	-	-	-
Total revenues	<u>23,265,005</u>	<u>(731,612)</u>	<u>-</u>	<u>22,533,393</u>	<u>20,286,493</u>
EXPENSES					
Program services					
Chapter development	4,896,110	-	-	4,896,110	4,222,907
Communications	1,679,346	-	-	1,679,346	1,607,960
Member products	3,704,133	-	-	3,704,133	1,930,261
Conferences and forums	6,284,175	-	-	6,284,175	6,440,418
Information systems development	795,568	-	-	795,568	709,357
Executive education	1,116,507	-	-	1,116,507	809,227
Global Leadership Conference	1,321,744	-	-	1,321,744	1,248,366
Supporting services					
Management and general	2,690,977	-	-	2,690,977	2,311,010
Total expenses	<u>22,488,560</u>	<u>-</u>	<u>-</u>	<u>22,488,560</u>	<u>19,279,506</u>
CHANGE IN NET ASSETS	776,445	(731,612)	-	44,833	1,006,987
NET ASSETS					
Beginning of year	<u>2,473,705</u>	<u>1,079,514</u>	<u>38,000</u>	<u>3,591,219</u>	<u>2,584,232</u>
End of year	<u>\$ 3,250,150</u>	<u>347,902</u>	<u>\$ 38,000</u>	<u>\$ 3,636,052</u>	<u>\$ 3,591,219</u>

See accompanying notes to financial statements.

ENTREPRENEURS' ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2012)

	Program Services							Management and General	2013 Total	2012 Total	
	Chapter Development	Communications	Member Products	Conferences and Forums	Information Systems Development	Executive Education	Global Leadership Conference				Total
Accelerator program	\$ 454,525	\$ -	\$ -	\$ 240,964	\$ -	\$ -	\$ -	\$ 695,489	\$ -	\$ 695,489	\$ 547,544
Accounting and audit fees	-	-	-	-	-	-	-	-	31,000	31,000	30,000
Audio visual	-	-	-	134,786	-	-	104,584	239,370	-	239,370	191,342
Bad Debt	-	-	-	-	-	-	-	-	27,000	27,000	72,214
Bank charges	-	-	-	-	-	-	-	-	31,038	31,038	21,460
Catering	-	-	-	2,542,438	-	554,049	585,814	3,682,301	-	3,682,301	2,925,642
Chapter promotional support	75,031	-	57,461	-	-	-	-	132,492	-	132,492	104,840
Computer systems	-	-	-	-	157,219	-	-	157,219	-	157,219	157,419
Consulting fees	-	-	50,035	70,000	-	70,000	-	190,035	-	190,035	177,576
Credit card commissions	-	-	-	85,596	-	35,150	-	120,746	364,569	485,315	408,396
Depreciation	148,683	86,887	68,480	119,757	32,870	7,451	35,993	500,121	47,717	547,838	792,189
Dues and subscriptions	1,281	748	590	1,032	283	64	310	4,308	411	4,719	3,786
Digital Media (formerly Eotv)	-	29,616	-	-	-	-	-	29,616	-	29,616	51,616
Event voucher	53,000	-	-	-	-	-	-	53,000	-	53,000	45,000
Forum training fees	-	-	1,239,893	-	-	-	-	1,239,893	-	1,239,893	1,255,769
Gifts and awards	441,271	-	19,519	2,943	-	18,133	-	481,866	26,802	508,668	394,304
Governance	59,547	-	-	-	-	-	-	59,547	1,263,291	1,322,838	1,031,852
GSEA	382,790	-	-	-	-	-	-	382,790	-	382,790	335,235
Insurance	3,936	2,300	1,813	3,170	870	197	953	13,239	1,263	14,502	14,401
Internet applications	-	60,573	14,396	-	186,779	-	-	261,748	-	261,748	197,092
Inventory of skills	-	-	406,855	-	-	-	-	406,855	-	406,855	399,805
Legal fees	-	-	-	-	-	-	-	-	142,764	142,764	208,533
Materials	-	-	29,908	-	-	-	-	29,908	-	29,908	29,683
Meetings	604,627	16,688	251,288	-	13,552	-	-	886,155	-	886,155	869,371
Mentor program	-	-	51,961	-	-	-	-	51,961	-	51,961	39,478
Miscellaneous	-	-	-	-	-	-	-	-	-	-	475
Office supplies	13,724	8,020	6,321	11,054	3,034	688	3,322	46,163	4,406	50,569	45,313
Optional activities	-	-	251,661	10,125	-	-	-	261,786	-	261,786	231,128
Parking	6,289	3,675	2,896	5,065	1,390	315	1,522	21,152	2,017	23,169	23,797
Payroll service	-	-	-	-	-	-	-	-	9,219	9,219	6,613
Personalizations	-	-	274,808	505,533	-	-	-	780,341	-	780,341	284,685
Postage and mailing	37,665	109,008	8,136	14,229	3,905	885	4,276	178,104	5,669	183,773	183,685
Printing and design	-	101,766	-	-	-	-	-	101,766	-	101,766	98,800
Public relations	-	212,292	-	-	-	-	-	212,292	-	212,292	212,774
Rent	125,059	73,082	57,599	100,730	27,648	6,267	30,274	420,659	40,135	460,794	246,024
Repairs and maintenance	-	-	-	-	12,698	-	-	12,698	21,439	34,137	24,496
Speaker fees/travel	-	-	70,522	1,018,943	-	284,275	36,846	1,410,586	-	1,410,586	939,913
Staffing	1,605,667	935,640	751,657	1,286,846	353,206	80,060	386,760	5,399,836	512,737	5,912,573	5,413,093
Supplies	-	-	28,217	64,227	-	30,443	22,703	145,590	-	145,590	117,117
Taxes	-	-	-	-	-	-	-	-	7,640	7,640	8,477
Telephone and fax	52,251	5,588	4,404	7,701	2,114	481	2,315	74,854	3,069	77,923	81,954
Transportation	-	-	-	35,273	-	10,756	17,120	63,149	-	63,149	62,786
Travel	830,764	33,463	55,713	23,763	-	17,293	88,952	1,049,948	148,791	1,198,739	993,829
Total	\$ 4,896,110	\$ 1,679,346	\$ 3,704,133	\$ 6,284,175	\$ 795,568	\$ 1,116,507	\$ 1,321,744	\$ 19,797,583	\$ 2,690,977	\$ 22,488,560	\$ 19,279,506

See accompanying notes to financial statements.

ENTREPRENEURS' ORGANIZATION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Membership dues received	\$ 15,786,005
Contributions and grant payments received	909,815
Conferences and forums revenue received	6,038,072
Royalties received	119,111
Interest received	9,978
Other income received	11,150
Payments to vendors, suppliers and employees	<u>(16,608,749)</u>
Net cash provided by operating activities	<u>6,265,382</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of certificates of deposit	(1,603,971)
Proceeds from maturity of certificates of deposit	1,603,971
Purchases of property and equipment	<u>(476,995)</u>
Net cash used for investing activities	<u>(476,995)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,788,387
CASH AND CASH EQUIVALENTS	
Beginning of year	<u>17,579,246</u>
End of year	<u>\$ 23,367,633</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET	
CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net assets	\$ 44,833
Adjustments	
Depreciation	547,838
Bad debt expense	27,000
Decrease (increase) in assets	
Accounts receivable	451,150
Security deposits	6,433
Prepaid expenses	(35,066)
Increase (decrease) in liabilities	
Accounts payable	5,112,059
Accrued expenses	346,832
Deferred revenue	(137,412)
Deferred lease incentives	<u>(98,285)</u>
Net cash provided by operating activities	<u>\$ 6,265,382</u>

See accompanying notes to financial statements.

ENTREPRENEURS' ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Presentation - Entrepreneurs' Organization's (EO) financial statements are prepared in accordance with the provisions of FASB Accounting Standards Codification 958, *Financial Statements of Not-for-Profit Organizations* (ASC 958). ASC 958 requires that an Organization's net assets and its activities be classified between unrestricted, temporarily restricted, and permanently restricted based on the existence or absence of donor imposed restrictions.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional reporting area. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with EO's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, cash in checking accounts and amounts invested in accounts subject to immediate withdrawal, such as money market funds, are considered to be cash equivalents. Certificates of deposit, regardless of their maturity date, are not considered to be cash equivalents.

Accounts Receivable - Accounts receivable consists primarily of amounts due from conferences and forums. Accounts receivable are stated at their net realizable value, and the allowance method is used to report uncollectible amounts. The allowance is based upon prior years' experience and management's analysis of subsequent collection, and was \$27,000 and \$-0- at June 30, 2013 and 2012, respectively.

Property and Equipment - Property and equipment are recorded at cost or, if donated, at fair value at the date of the donation. Equipment under capital leases is recorded at the fair value of the equipment at the inception of the lease. Major additions are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently. Depreciation of purchased assets and amortization of leasehold improvements are computed by the straight-line method over the lesser of the estimated useful lives or lease term. Amortization expense on leasehold improvements is included in depreciation expense in the statement of functional expenses. Certain costs of internally developed software and website development are capitalized and amortized over the estimated useful lives of the software and website.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Membership dues are reported as revenue in the year to which they pertain. Since members may use 50% of initiation fees to offset the cost of forum attendance in the first two years of membership, 50% is reported as membership dues when received and the remaining 50% is deferred and recognized as conference and forum revenue when used, or reported as membership dues at the end of the two years, if unused. Conference registrations are recognized in the year in which the conference is held.

Unrestricted contributions, including unconditional promises, are reported as revenue when they are received. Unconditional promises are presumed to carry implied time restrictions unless otherwise specifically directed by the donor.

Donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Revenues from grant awards considered to be exchange transactions are recognized as expenses are incurred. Amounts received in excess of revenues recognized are reported as deferred revenue.

In-kind Contributions - In-kind contributions are reported at fair value and recognized as revenue in the accounting period when they are received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are reported at their fair value in the period received.

Investments - EO's investments are measured at fair value and consist entirely of amounts invested in bank certificates of deposit. Fair values for the certificates of deposit are determined by reference to market interest rates and other relevant information generated by market transactions. These inputs used to determine fair values are considered Level 2 inputs under generally accepted accounting principles (significant observable inputs other than quoted prices in active markets for identical assets).

Endowment Net Asset Classifications - In August 2008, the Accounting Standards related to *Endowments of Not-of-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent management of Institutional Funds Act*, and *Enhanced Disclosures for All Endowment Funds* was issued. The standard provides 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 2006. EO is subject to the State of Virginia's Uniform Prudent Management of Institutional Funds Act 2007 (UPMIFA), which went into effect in 2007.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses - The costs of providing the various programs of EO have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Management Estimates and Assumptions - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the financial statements. Actual results could differ from those estimates.

Reclassifications - Certain amounts previously reported as of and for the year ended June 30, 2012 have been reclassified to conform to the current year presentation.

Subsequent Events Review - Subsequent events have been evaluated through November 1, 2013, which is the date the financial statements were available to be issued. This review and evaluation revealed no new material event or transaction which would require an additional adjustment to or disclosure in the accompanying financial statements.

NOTE 2. ORGANIZATION AND TAX STATUS

EO - for entrepreneurs only - is a membership organization founded in 1987 and designed to help business owners from around the world on their path to greater business and personal fulfillment. EO is a global community enriching members' lives through dynamic peer-to-peer learning and once-in-a-lifetime experiences. EO is the catalyst that enables entrepreneurs to learn from each other, leading to greater business success and an enriched personal life. Through its core values - Boldly Go, Thirst for Learning, Make a Mark, Trust and Respect and Cool - EO is working to build the world's most influential community of entrepreneurs. By engaging leading entrepreneurs to learn and grow, EO is fueling the entrepreneurial engine.

With members in more than 125 chapters, spanning 40 countries, EO's rapidly expanding membership includes entrepreneurs from every size and type of business. EO membership continues to increase on an annual basis and is now 8,000 members strong. Membership in EO is by invitation only and is subject to approval by both Global Support Services and the sponsoring local chapter. Prospective EO members must be a founder, co-founder, owner or controlling shareholder of a business with gross annual revenues exceeding US \$1 million.

EO is exempt from Federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code as a publicly-supported organization. However, EO is subject to tax on net income generated by unrelated business activities as provided for in the tax laws. To date, EO's unrelated business activities have not resulted in any net taxable income.

NOTE 2. ORGANIZATION AND TAX STATUS (CONTINUED)

EO follows the authoritative guidance relating to accounting for uncertainty in income taxes included in the ASC Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for the uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. EO 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. The organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ended June 30, 2010 through 2012, are subject to examination by the IRS, generally for three years after they were filed.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment, at cost, less accumulated depreciation at June 30, 2013 and 2012 are summarized as follows:

	<u>2013</u>	<u>2012</u>
Computer equipment	\$ 218,559	\$ 164,294
Computer software	1,346,454	981,171
Furniture, fixtures and other equipment	25,473	60,872
Leasehold improvements	<u>814,840</u>	<u>814,840</u>
	2,405,326	2,021,177
Less accumulated depreciation	<u>(1,065,730)</u>	<u>(610,738)</u>
Total	<u>\$ 1,339,596</u>	<u>\$ 1,410,439</u>

Depreciation expense totaled \$547,838 and \$792,189 for the years ended June 30, 2013 and 2012, respectively.

NOTE 4. ENDOWMENT FUND

During the year ended June 30, 2000, EO established a separate fund within EO called the Endowment Fund. The assets of the Endowment Fund are to be used to financially support EO by funding specific projects in specific program areas such as communications, information systems development, member products, and conferences and forums. All contributions received to date have been reported as increases in temporarily restricted net assets.

NOTE 4. ENDOWMENT FUND (CONTINUED)

Interpretation of Relevant Law

The Board of Directors has interpreted UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of a donor-restricted fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, EO classifies as permanently restricted net assets (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to a permanent endowment, and (c) accumulations to a permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by EO in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, EO considers the following factors in making a determination to appropriate or accumulated donor-restricted funds:

- The duration and preservation of the fund
- The purposes of EO and the donor-restricted fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of EO
- The investment policies of EO

Return Objectives and Risk Parameters

EO has invested its endowment assets in a manner that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce approximately .25%. Actual returns in a given year may vary from this amount.

Spending Policies of the Endowments

EO allocates the investment income generated by the endowment each year based on the purpose of the endowment based on the donor's request. If the donor does not specify a purpose of the income generated from their permanently restricted endowment, the income is used for general support. EO did not use the investment income for general operations during 2013 or 2012.

NOTE 6. NET ASSETS

Unrestricted - EO's Board of Directors designated as of June 30, 2005, \$379,815 of the organization's unrestricted net assets to be reserved to support future operating needs. Of this amount, \$28,346 was applied to FY06 operations, leaving a balance of \$351,469 as of June 30, 2013 and 2012.

NOTE 6. NET ASSETS (CONTINUED)

Temporarily Restricted - EO has established an endowment fund to financially support EO to fund special organizational projects. In addition, EO has unexpended amounts restricted to support future programmatic activities to be determined. Temporarily restricted net assets as of June 30, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Endowment Fund	\$ 39,377	\$ 39,377
Unexpended contributions		
Unexpended endowment interest	4,057	3,348
Other programs	304,468	886,789
Time restricted – general support	<u>-</u>	<u>150,000</u>
	<u>\$ 347,902</u>	<u>\$ 1,079,514</u>

Permanently Restricted - EO has established a Lifetime Trustee Program. Under the terms of this program, a maximum of 10 individuals may donate up to \$15,000 each to EO with the stipulation that the principal amounts donated be held in perpetuity while the income generated from the principal be used for the general purposes of EO. As of June 30, 2013 a total of \$38,000 has been contributed to EO under the Lifetime Trustee Program.

NOTE 7. LEASING ACTIVITIES

In August 2011, EO entered into an agreement to terminate the two existing leases for office space effective December 31, 2011, and to lease office space in the same building on a different floor. The lease commencement date for the new space is January 1, 2012, and the lease term expires December 31, 2019. Rent is payable monthly beginning at \$35,740, with annual escalations of 2.75% as well as adjustment for increases in operating expenses and real estate taxes of the building. EO received a six-month period of rent abatement at the beginning of the lease, and the lessor agreed to cover the cost of tenant improvements in the amount of \$786,280. EO also leases office equipment under various leasing arrangements.

The total future minimum lease payments for the above operating leases that have remaining non-cancelable lease terms in excess of one year are due as follows:

<u>Year Ending</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Total</u>
2014	\$ 446,822	\$ 12,636	\$ 459,458
2015	459,116	12,636	471,752
2016	471,768	12,636	484,404
2017	484,777	7,371	492,148
Thereafter	<u>1,269,413</u>	<u>-</u>	<u>1,269,413</u>
	<u>\$3,131,896</u>	<u>\$ 45,279</u>	<u>\$ 3,177,175</u>

NOTE 8. YOUNG ENTREPRENEURS' ORGANIZATION 401(K) PLAN

Effective January 1, 1999, EO established the Young Entrepreneurs' Organization 401(k) Plan (the Plan). The Plan covers all full time employees of EO who are over 21 and have completed one year of service as defined by the Plan. EO reserves the right to make matching and profit sharing contributions into the Plan at contribution rates to be set annually. During the year ended June 30, 2013, EO's contributions to the Plan totaled \$95,009.

NOTE 9. UNINSURED CASH

EO maintains its cash in bank accounts which at times may exceed the federally insured limit of \$250,000 per financial institution. EO had balances on deposit at June 30, 2013 that exceeded the federally insured limit by approximately \$22 million.

NOTE 10. DEFERRED REVENUE

EO has deferred revenue related to its programs. The following represents revenue that was deferred as of June 30, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Dues	\$ 12,968,616	\$11,657,963
Initiation fees	61,750	17,387
Entrepreneurial Masters Program	118,600	380,313
Events	<u>1,242,690</u>	<u>2,473,436</u>
	<u>\$ 14,391,656</u>	<u>\$14,529,068</u>